
CITY OF ASHEVILLE NORTH CAROLINA

Adopted Annual Budget Fiscal Year 2009-2010



Terry M. Bellamy
Mayor

Jan B. Davis
Vice Mayor

William A. Russell, Jr.
Councilmember

Dr. R. Carl Mumpower
Councilmember

Robin L. Cape
Councilmember

Kelly M. Miller
Councilmember

Brownie W. Newman
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Gary W. Jackson
City Manager

Jeffrey B. Richardson
Assistant City Manager

Benjamin C. Durant, III
Chief Financial Officer

TABLE OF CONTENTS

	<i>Page</i>
<i>City Manager's Transmittal Letter</i>	
<i>Introduction</i>	
Budget Guide	1
City Manager's Budget Message	2
Organizational Structure	13
Organizational Chart	14
Budget Process	15
FY 2009-10 Budget Schedule	17
Financial Policies	18
<i>Total Budget Summary</i>	
Operating Budget Summary - All Funds	21
Budget Summary - Expenditures	23
Budget Summary - Revenues	27
Budget Summary - Staffing	31
Analysis of Fund Balance	36
<i>Fund Summary</i>	
Fund Summary	39
General Fund	
Summary	40
General Fund Expenditures	41
General Fund Revenues	48
Enterprise Funds	
Summary	58
Water Resources Fund Revenues	62
Transit Services Fund Revenues	63
Civic Center Fund Revenues	64
Parking Services Fund Revenues	65
Festivals Fund Revenues	66
Stormwater Fund Revenues	67
Golf Fund Revenues	68
<i>General Government</i>	
Summary	69
General Administration	70
City Attorney's Office	73
Finance	74
Information Technology Services	78
Human Resources	81
Nondepartmental	84
<i>Public Safety</i>	
Summary	85
Police	86
Fire & Rescue	90
Nondepartmental	93

TABLE OF CONTENTS

	<i>Page</i>
 <i>Environment & Transportation</i>	
Summary	95
Water Resources Fund	96
Public Works	100
Transportation & Engineering	103
Transit Services Fund	106
Parking Services Fund	108
Stormwater Utility Fund	110
Nondepartmental	111
 <i>Culture & Recreation</i>	
Summary	113
Parks, Recreation & Cultural Affairs	114
Civic Center Fund	119
Festivals Fund	121
Golf Fund	123
Nondepartmental	124
 <i>Community Development</i>	
Summary	125
Planning & Development	126
Community Development & HOME Funds	129
Housing Trust Revolving Fund	131
Building Safety	132
Nondepartmental	135
 <i>Capital Improvements Program/Debt Management</i>	
Introduction	137
Summary of Major Capital Projects	138
Impact on the Operating Budget	139
General Capital Reserve Fund	140
Water Resources Capital Funds	145
Debt Management	149
 <i>Supplemental Information</i>	
Asheville Community Profile	155
Budget Ordinance	161
Glossary of Budget Terms	170

MEMORANDUM

July 9, 2009

TO: Mayor Bellamy and City Council Members

FROM: Gary W. Jackson, City Manager *AK*

SUBJECT: 2009-10 Annual Budget

I am pleased to present you with a copy of the 2009-10 Adopted Annual Budget. This document, which was prepared by the City's Budget & Research Division, reflects the City's overall budget plan and policies as approved by City Council for the upcoming fiscal year.

The Fiscal Year 2009-10 Annual Operating Budget was formally presented to City Council on May 12, 2009. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on May 29 and June 5, 2009. City Council conducted a public hearing on the proposed budget on June 9, 2009. The Fiscal Year 2009-10 budget is balanced with a tax rate of \$0.42 per \$100 of assessed valuation, which represents no change from the previous fiscal year. All essential City programs and services are maintained.

The net proposed operating budget presented to City Council on May 12th was set at \$135,700,029, including a General Fund appropriation of \$92,156,972. The following changes were made to the Proposed Budget prior to adoption by City Council:

- Recycling Contract: The final cost for the FY 2009-10 recycling contract exceeded the Proposed Budget estimates by \$132,957. City Council approved increasing the monthly household recycling fee from \$2.65 to \$2.95 to cover the increased cost of the recycling program.
- Public Works Sidewalk Crew: During the budget process, Public Works staff agreed to hold vacant the positions on one concrete crew in FY 2009-10 and only fill those positions if funding for sidewalk projects was obtained from the American Recovery and Reinvestment Act (ARRA). However, given the uncertainty associated with the level of ARRA funding that may eventually be received, funding for the concrete crew was restored in the adopted budget by appropriating \$140,000 from fund balance. If ARRA funding is eventually received for sidewalk projects, then a portion of that funding can be used to restore fund balance. Either way, it should be noted that the disadvantage of this funding strategy is that we are using a one-time funding source (i.e. fund balance or ARRA funds) to fund the ongoing costs of staffing the concrete crew.
- COPs 97c (Grove Arcade) Debt: Historically, the COPs 97c debt was reported as conduit debt, and as such, these payments were not included in the City's annual operating budget. However, research completed after the Proposed Budget was submitted to City Council determined that this debt was not conduit debt but rather a direct obligation of the City. For FY 2009-10, the debt service payment on the COPs 97c will total \$151,600. An appropriation from fund balance was used to cover this additional debt service amount.
- Buncombe County Landfill Tip Fees: The City of Asheville received notification from Buncombe County after the Proposed Budget was presented to City Council that tip fees at the transfer station would be increasing on September 1, 2009. This increase added \$106,764 in expenses to the FY 2009-10 budget. An appropriation from fund balance was also used to cover this expense.

The net result of these changes increases the operating budget by \$531,321 to \$136,231,350, and the General Fund appropriation to \$92,688,293. The FY 2009-10 budget numbers and all narrative in this document reflect the budget as adopted by City Council on June 23, 2009. By policy, however, the City Manager's Budget Message is included as it was presented with the Proposed Budget on May 12, 2009.

BUDGET GUIDE

Local governments exist to provide a wide range of basic services on which we all depend: police and fire protection, streets and sidewalks, water systems, garbage collection, and parks, just to name a few. The ability of a local government to provide this wide range of services rests on its financial decision-making. This document contains the City of Asheville's FY 2009-10 Adopted Budget, which is the financial plan that will guide City operations over the next year.

The City of Asheville budget document is designed to emphasize service areas instead of organizational units or funds. Five major service areas are identified in the budget document: (1) Public Safety; (2) Environment & Transportation; (3) Culture & Recreation; (4) Community Development; and (5) General Government.

The budget document is divided into the following sections:

Introduction - This section begins with the City Manager's Budget Message which highlights and explains the major budgetary issues facing the City of Asheville during the 2009-10 fiscal year. The Introduction also includes a description of the budget process and City organizational structure and a presentation of the City's financial policies.

Budget Summary - The Budget Summary section provides a detailed picture of the City's FY 2009-10 adopted annual operating budget, including information on total budget expenditures, revenues, and staffing. This section concludes with an estimate of fund balance for the City's general fund.

Fund Summary - The Fund Summary section segregates the expenditures and revenues by

fund. Detailed information is included for all City operating funds, with a focus on the City's largest fund - the general fund. This section also highlights the City's major revenue sources and summarizes the trends and assumptions that were used in developing the FY 2009-10 revenue estimates.

Service Area Summaries - The next five sections present budget data for the major service areas. Detailed budget information is included for the City departments and divisions associated with each service category. Departmental goals, objectives and performance measures are presented in this section.

Capital Improvement Program/Debt Management - The long-range Capital Improvement Program (CIP) describes planned capital improvement projects and funding sources for the next six fiscal years. This section also contains information on the City's annual debt service requirements.

Supplemental Information - The budget document concludes with a Supplemental Information section that includes a community profile, which provides demographic and economic information for the Asheville area. This section also contains a glossary of frequently used budget terms.

Please direct any comments or questions to:
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CITY MANAGER'S BUDGET MESSAGE

May 12, 2009

Honorable Mayor Bellamy and City Council Members,

I respectfully submit to you the proposed City of Asheville annual budget for the fiscal year beginning July 1, 2009 and ending June 30, 2010. The proposed budget that is presented to you today was prepared under extremely difficult circumstances as the country is in the midst of the worst economic downturn in at least thirty years. The current recession has presented the City of Asheville with a significant financial challenge as we attempt to provide for the continuation of existing city services while also continuing to move forward with new strategic initiatives that were launched in prior fiscal years. Our underlying principle in preparing the recommended budget was to balance the constraints of the current economic recession with the need to provide quality municipal services at the lowest possible cost to Asheville taxpayers.

To achieve this goal, the recommended budget relies on budget balancing strategies that include reducing expenditures wherever possible and re-engineering services to minimize costs. As a result, Asheville will be able to maintain a focus on core services, continued implementation of strategic programs, and support a stable and efficient workforce without increasing the property tax rate.

Background and Financial Trends

For the City of Asheville, fiscal 2009-10 represents the second consecutive budget prepared under very challenging economic and financial conditions. The City was already beginning to feel the initial impacts of the recession last year at this time when we were preparing the current FY 2008-09 budget. Given the extended nature of the current financial crisis, before moving ahead to discuss the FY 2009-10 budget, it is helpful to begin by looking back at the previous year.

Current FY 2008-09 Budget Update

As you may recall, the process that lead up to the adoption of the current FY 2008-09 budget also proved to be very challenging for the City. The City of Asheville began the FY 2008-09 budget process with a significant shortfall in the General Fund. The recession had already begun to impact sales tax growth, and the City was experiencing inflationary pressures in a number of key areas, including health care, fuel, and construction materials. We successfully addressed the initial FY 2008-09 budget crunch by eliminating 10 full-time positions in the General Fund; reducing training budgets; eliminating the manager's contingency; reducing line items for professional services; and reducing capital spending.

Even with these initial budget reductions, we realized during the first quarter of FY 2008-09 that the economic downturn was going to be much more severe than originally anticipated. Monthly sales tax reports began to show declines that were unprecedented in nature. As a result, staff revised its FY 2008-09 revenue projections to reflect a likely \$1.0 million revenue shortfall in the General Fund. Staff was able to identify an additional \$1.0 million in budget savings strategies above and beyond the reductions that were already put in place at the start of the fiscal year, and this list of strategies was presented to City Council during the 1st Quarter Financial Report.

CITY MANAGER'S BUDGET MESSAGE

These strategies included, among others, implementation of a selective hiring program, delay of capital equipment purchases, and further departmental line item reductions.

As we now enter the 4th quarter in the current fiscal year, staff's overall revenue projections that showed a \$1.0 million deficit in the General Fund appear to be on track. Sales tax revenues have declined even further than originally projected and now are 6.0% below FY 2007-08 levels, however other General Fund revenues, the property tax in particular, have performed better than expected.

FY 2009-10 Budget Outlook

In November 2008, staff presented City Council with its initial forecast for FY 2009-10 that projected a \$5.4 million budget in the General Fund. This initial budget gap was primarily driven by the slowdown in revenue growth, but inflationary pressures on the expenditure side of the budget also played a role, with major cost increases in health care and utilities among the biggest cost drivers. Against this backdrop, staff began working on the FY 2009-10 budget early in the fall of 2008, and it quickly became clear that the usual type of belt tightening strategies that had been employed in the past were not going to be sufficient given the magnitude of the current financial crisis. Staff embarked on a collaborative process of identifying cost savings, reducing expenditures and re-engineering processes with a goal of not reducing major core services to the public. Major actions taken to balance the FY 2009-10 budget include the following:

- **Eliminate merit and market-based pay increase for employees.** For the first time in at least ten years, City employees will not be receiving raises in the upcoming budget year. Elimination of the merit pay adjustments saved \$750,000 and suspension of the market based pay program saved an additional \$1.0 million.
- **Streamline operations.** Staff was able to eliminate 20 positions in the General Fund at a savings of \$1.0 million. The City offered an early retirement incentive program in the winter of 2008-09 that led to the retirement of 63 City staff. The early retirements, coupled with the high number of vacancies created due to the selective hiring program, allowed the City to eliminate the 20 General Fund positions while minimizing the number of employees that were displaced. Staff also reduced the initial departmental overtime requests in the General Fund by \$150,000. In the Golf Fund, Parks & Recreation staff reorganized operations at the Municipal Golf Course to reduce its staff by three positions and thereby eliminate the need for a General Fund subsidy.
- **Increase cost recovery from user fees.** In April, City Council approved the FY 2009-10 user fee package which included fee adjustments resulting in \$700,000 in additional General Fund revenue. Chief among these fee adjustments is the restoration of the household recycling fee at a 100% cost recovery level.

CITY MANAGER'S BUDGET MESSAGE

Strategic Initiatives

Over the last four years, Asheville City Council has led a strategic planning cycle that includes extensive opportunities for citizen input and feedback. In January 2009, Asheville City Council adopted five strategic priorities for Fiscal Year 2009-10:

Affordable: The City of Asheville will offer a standard of living that is affordable and attainable for people of all income levels, life stages and abilities.

Fiscal Responsibility: The City of Asheville will create a stronger, more prosperous community with smart investments that accomplish real, lasting, tangible returns.

Green: Asheville will be the southeastern leader in clean energy and environmental sustainability while preserving and enhancing the city's natural beauty.

Safe: Asheville will be one of the safest and most secure communities when compared to similar cities.

Sustainable: Asheville will support a sustainable community and a sustainable city government through a strong commitment to infrastructure maintenance, capital improvements, long-term planning and fiscal responsibility.

Given the difficult fiscal constraints that the City is currently facing, limited resources were available in the upcoming budget year to launch new or enhanced programs related to City Council's strategic priorities. However, this recommended budget is designed to support our citizens' priorities and continue to enhance the quality of life in our community by funding the continuation of strategic programs that were launched in prior budget years. Attachment A to the Manager's Message provides detailed information about programs and initiatives funded in this year's budget that directly support the organization's strategic priorities.

The key elements of the 2009-2010 proposed budget are outlined below.

General Fund Highlights

Revenues:

- Based on estimates from the Buncombe County Tax Assessor, staff has budgeted 4.5% growth in property taxes for FY 2009-10. Approximately half of this growth is attributable to natural increases in the tax base from new construction. The rest of the growth in the tax base is the result of the Ridgfield, Airport Road, and Biltmore Town Center annexations, which combined will generate approximately \$980,000 in property tax revenue. It should be noted that under the annexation/economic development agreement with the Biltmore Town Center, the City will refund all property tax revenue collected from this development in FY 2009-10.

CITY MANAGER'S BUDGET MESSAGE

- Revenue from charges for services shows an \$834,000 or 8.0% increase. Most of this increase is the result of fee adjustments that were approved by City Council in April. \$400,000 in additional revenue will come from the reinstatement of the recycling fee at a 100% cost recovery level. Another sizeable gain in revenue, approximately \$127,000, will come from fee increases at the WNC Nature Center.
- As discussed earlier in the Budget Message, sales tax revenue has been severely impacted by the economic recession. The City has seen its sales tax revenue declined by 6.0% during the first eight months of FY 2008-09 compared to that same time period in FY 2007-08. Based on forecasts from the North Carolina League of Municipalities, staff has projected that this trend will continue for the remainder of FY 2008-09, and that sales tax revenue will show no growth in FY 2009-10. As a result, the sales tax budget for FY 2009-10 shows a decline of \$1.7 million or 9.7% compared to the FY 2008-09 budget.
- Intergovernmental revenue shows an increase of 4.8% in FY 2009-10, primarily due to an increase in revenue from state utility taxes. City staff completed an audit of address data maintained by Progress Energy in the current fiscal year and discovered a number of premises that were in the City but coded as out of the City by Progress. This audit resulted in a one-time back payment of \$300,000 and an ongoing annual gain of \$100,000 in the City's electricity utility tax revenue. In addition, the State increased the tax rate on telecommunications, satellite, and cable service providers in April 2008.

<u>Revenue Sources:</u>	<u>2008-09 Budget</u>	<u>2009-10 Proposed</u>	<u>Change From Prior Year</u>	
			<u>in \$</u>	<u>in %</u>
Property Tax	43,437,175	45,413,548	1,976,373	4.5%
Intergovernmental	10,867,167	11,393,131	525,964	4.8%
Sales Taxes	17,592,167	15,880,273	(1,711,894)	-9.7%
Other Taxes	330,000	330,000	0	0.0%
Charges For Service	10,472,194	11,306,878	834,684	8.0%
Licenses & Permits	5,026,280	4,999,049	(27,231)	-0.5%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous	304,000	320,093	16,093	5.3%
App. Fund Bal.	216,263	1,500,000	1,283,737	--
Total Revenue	<u>89,259,246</u>	<u>92,156,972</u>	<u>2,897,726</u>	<u>3.2%</u>

Expenditures:

- The FY 2009-10 budget includes general fund expenditures that are 3.2% more than the FY 2008-09 budget.

CITY MANAGER'S BUDGET MESSAGE

- Public Safety is the largest general fund service area, accounting for 42% of all general fund expenditures. Expenditures in this service area show a 4.6% increase in FY 2009-10. As with other service areas in the general fund that are personnel-intensive, a portion of this increase is due to higher employee health costs. The proposed budget also includes the addition of four positions in the Fire and Rescue Department for the expansion of the Asheville Suburban Fire District in the Haw Creek area. The budget also includes three new firefighters and two police officer positions to provide service to the Ridgefield and Airport Road annexation areas. The Fire and Rescue Department operating budget also includes \$100,000 in additional costs to pay the annexation contracts associated with these two annexations. The Police operating budget includes a \$54,000 increase in the City's payment to the County for its share of the Criminal Justice Information System (CJIS). The Fire and Rescue Department operating costs include an additional \$55,000 for the Code Red system contract, and a \$39,000 increase in the cost of the contract with Buncombe County for 911 service.
- Environment & Transportation is the second largest service area in the general fund, representing 17% of the FY 2009-10 general fund budget. The budget for this service area shows a 1.6% decrease. The \$693,000 decrease in the general fund subsidy to the transit services fund is the primary budgetary change that is impacting this service area. The Public Works Department budget shows a 3.8% increase and includes \$100,000 to enhance the downtown cleanliness program. The Public Works budget also includes a \$175,000 increase in the streetlighting budget to cover increased electricity expenses.
- The Culture & Recreation budget shows a 6.7% increase. Included in the Parks and Recreation budget is \$300,000 to fund a contract for maintenance of the new Pack Square Park. The City will receive \$150,000 in revenue from Buncombe County to assist with this new cost. The Parks and Recreation budget also shows a \$130,000 increase due to higher electricity costs for City Hall and other facilities.
- Expenditures in the General Government service area show a 4.0% increase. This is partly due to the inclusion of approximately \$150,000 in the Information Technology Services Departmental budget to fund the transition period from H.T.E. to MUNIS when the City is required to pay the maintenance agreements for both systems. The budget also includes \$160,000 to fund the costs of the upcoming fall 2009 City Council elections.
- Personnel costs, including both salaries and wages and fringe benefits constitute 63% of the FY 2009-10 general fund budget. The personnel budget includes no new funding for merit or market-based pay increases for City employees. The general fund personnel budget also reflects a net overall reduction of 5.88 FTE positions. Despite these reductions, the salary budget shows a slight 1.8% increase primarily due to the carryover impact of merit increases awarded in FY 2008-09 for a partial year (based on employee anniversary dates) for which the full cost impact will take place in FY 2009-10. The personnel budget also includes a 15% increase in the City's contribution toward employee health care expenses. For the general fund, this increase totaled approximately \$870,000.

CITY MANAGER'S BUDGET MESSAGE

- General fund debt service shows a net decrease of approximately \$250,000. This decrease is the result of the City paying off an equipment financing debt issuance from 2004 in the current fiscal year and a \$100,000 decrease in the City's general obligation bond debt amount. The proposed budget does include the issuance of approximately \$2.0 million in new debt in FY 2009-10 to fund two annexation related sewer projects, replacement of one auto loader refuse truck, replacement of the irrigation system at the Municipal Golf Course, and improvements to the Walton Street pool.
- \$2.9 million is budgeted for the direct purchase of capital in FY 2009-10, which represents a 3.2% increase over the current year. However, capital funding remains well below the funding levels that were achieved in the two prior budget years.
- Interfund transfers are budgeted to decrease by over \$1.0 million in FY 2009-10. Increased federal funding for transit allowed the City to reduce the general fund subsidy to the transit fund by \$693,000. Staff was also able to eliminate the \$75,000 general subsidy to the golf fund by reorganizing and streamlining operations at the golf course. Finally, due to budget constraints in FY 2009-10, the general fund subsidy to the housing trust fund is reduced by \$300,000.

<u>Expense Category:</u>	<u>2008-09 Budget</u>	<u>2009-10 Proposed</u>	<u>Change From Prior Year in \$</u>	<u>in %</u>
Salaries & Wages	42,242,338	42,983,462	741,124	1.75%
Fringe Benefits	13,734,183	14,880,912	1,146,729	8.35%
Operating Costs	21,899,165	24,123,454	2,224,289	10.16%
Interfund Transfers	2,802,562	1,748,872	(1,053,690)	-37.60%
Debt Service	5,709,822	5,458,272	(251,550)	-4.41%
Capital Outlay	2,871,176	2,962,000	90,824	3.16%
Total Expenditures	89,259,246	92,156,972	2,897,726	3.25%

Fund Balance Analysis

At the end of FY 2007-08, available fund balance in the City's general fund equaled 19.3% of year-end 2007-08 expenses. City policy prescribes a minimum fund balance level of 15%. Based on current year-end revenue and expenditure estimates for the general fund for FY 2008-09, staff is projecting that available fund balance will equal to 19.8% of estimated year-end expenditures. In order to balance the FY 2009-10 general fund budget, staff has included a \$1.5 million appropriation from fund balance. This appropriation will lower the available fund balance percentage to 17.6% at the end of FY 2009-10. Given the severity of the current economic recession and no clear indication when growth may return to normal levels, coupled with the fact that Asheville faces some long-term structural budget issues, such as the inability to charge differential water rates and aging infrastructure, staff is recommending that no further appropriation from fund balance be made prior to adoption of the FY 2009-10 budget.

CITY MANAGER'S BUDGET MESSAGE

Other Funds

Water Resources Fund

- The FY 2009-10 budget includes a 4% increase in water rates and the capital improvement fees. These rate increases, along with some other fee adjustments will generate approximately \$1.8 million in additional revenue for the Water Fund.
- The Capital Outlay budget includes \$5.6 million for capital improvement projects, \$701,000 for rolling stock replacement, and \$681,000 for small capital equipment.
- The debt service budget for FY 2009-10, which includes payments on the \$40 million in revenue bonds issued in FY 2007-08 for capital improvements, is approximately 23% of the total budget.
- Operating costs are up 15% primarily due to increases in electricity rates and increased costs for materials, including the chemicals used in water treatment.

Parking Services Fund

- The current recession has slowed the growth in revenue from the parking garages. As a result, the FY 2009-10 budget for garage revenue shows a \$300,000 decrease compared to the current fiscal year.
- The FY 2009-10 budget includes \$500,000 for a possible debt service payment on the Biltmore Avenue parking deck.
- The Parking Fund budget also includes \$57,240 to fund signage for the Wayfinding program.
- The 2009-10 budget continues the \$248,116 transfer to the Transit Services Fund.
- Approximately \$206,000 in the FY 2009-10 Parking Fund operating budget is set aside to go to fund balance for future parking deck construction costs.

Transit Services Fund

- The City will receive additional federal funding in both FY 2008-09 and FY 2009-10. This additional funding is not shown in the FY 2008-09 budget, so actual grant revenue will exceed budget in the current year. This additional federal revenue will allow the City to reduce the actual general fund subsidy in the current year, and budget a lower subsidy in FY 2009-10. At this point, it is not certain if the City will receive this higher level of federal support beyond FY 2009-10.

CITY MANAGER'S BUDGET MESSAGE

- As mentioned above, the general fund subsidy to the transit services fund will be reduced in the current year. The actual subsidy in the current year is expected to be \$500,000 less than budget. For FY 2009-10, the general fund subsidy is budgeted at \$872,831. It should be noted that the general fund subsidy will likely increase substantially after FY 2009-10 as the federal funding returns to its previous lower level.
- Operating costs show a \$211,000 increase primarily due to an increase in the budget for fuel and maintenance of the transit fleet, as well as increased costs associated with servicing the Black Mountain & Weaverville routes. The costs associated with these two routes are fully reimbursed by grant funding.

Stormwater Fund

- The Utility Billing Specialist position is deleted from the budget. In addition, two positions in the Stormwater Fund have been assigned to work on capital and grant funded projects during FY 2009-10, and their salaries will be charged to those projects.
- Otherwise, the Stormwater budget reflects a continuation of existing programs & services.

Civic Center Fund

- For the FY 2009-10 budget, staff is proposing to discontinue public skating and hockey programs at the Civic Center. Elimination of these programs will reduce revenue by approximately \$109,000, but the offsetting cost reductions will be \$156,000; resulting in a positive net financial impact of almost \$50,000. In addition, the current ice chiller needs major repair work, which could cost up to \$150,000 in future years. It should be noted that the Civic Center Commission voted in support of staff's recommendation.
- A part-time Office Assistant position is eliminated from the budget.
- By eliminating the part-time position and the ice programs, staff was able to keep the FY 2009-10 general fund subsidy to the Civic Center at a level similar to the FY 2008-09 subsidy.

Festivals Fund

- The budget for the Festivals Fund shows a 30% decrease in FY 2009-10. In an effort to lower festival-related expenses, the overall footprint for the Bele Chere festival will be reduced in 2009. In addition, there will be no ticketed event at the 2009 Bele Chere.
- The recession is also expected to impact Festival Fund revenues in FY 2009-10. Attendance is expected to be down, and staff is also expecting to receive less sponsorship revenue.

CITY MANAGER'S BUDGET MESSAGE

- A general fund subsidy of \$184,726 is included to support the costs of the Festivals staff.

Golf

- Parks staff completed a restructuring of the Golf Course operations that resulted in the elimination of three FTE positions: a Laborer, a Tradesworker, and the Snack Bar Manager. By eliminating these positions and streamlining operations in other areas, staff was able to balance the FY 2009-10 golf fund budget with no subsidy from the general fund.

Conclusion

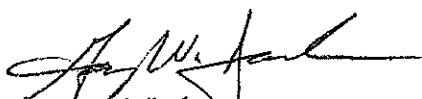
Each year, the City of Asheville's Finance Department coordinates the city's budget process, and I want to thank the staff in this department and recognize, with sincere appreciation, the assistance and cooperation of our department directors and employees for their many hours of hard work and contributions to this budget. I want to specifically recognize the efforts of Chief Finance Officer Ben Durant and the staff in the Budget and Research Division including Tony McDowell, Sandy Ryland and Alina Law.

I also want to express my appreciation to you, our Mayor and City Council members, for providing the policy direction and feedback necessary to prepare the proposed budget. Local governments around the world are finding their budgets in the throes of a major recession, and these challenging economic times are requiring difficult decisions in order to preserve a balanced budget. I appreciate the City Council's support of the progressive series of steps our organization has taken to minimize the impact of financial conditions on our workforce and our community.

The more stability the City of Asheville brings to its annual operating budget, the more influence we can have on our economic future and the viability of our community. A stable budget conveys a predictable and affordable tax rate, a dependable workforce and reliable core services, which in turn fosters a favorable environment for economic investment and quality of life. I am proud to say I believe the proposed budget balances these important considerations in the midst of tough economic times, and that the City of Asheville is positioned to be a steady leader in economic recovery throughout 2009-2010.

I also look forward to the upcoming budget discussions with you and the citizens of Asheville as we move forward with this the 2009-10 financial plan.

Sincerely,



Gary W. Jackson
City Manager

CITY MANAGER'S BUDGET MESSAGE

ATTACHMENT A

Strategic Initiatives

Affordable: The City of Asheville will offer a standard of living that is affordable and attainable for people of all income levels, life stages and abilities.

- The FY 2009-10 budget recommends \$300,000 in General Fund support for the Housing Trust Fund, a dedicated low-interest loan pool set aside for the development of affordable housing.

Fiscal Responsibility: The City of Asheville will create a stronger, more prosperous community with smart investments that accomplish real, lasting, tangible returns.

- The City of Asheville remained committed to holding the line on property taxes in FY 2009-10 to support our citizen's ability to affordably live and work in the community. No property tax increase is recommended in this budget.

Green: Asheville will be the southeastern leader in clean energy and environmental sustainability while preserving and enhancing the city's natural beauty.

- The proposed FY 2009-10 budget includes continued funding for the sustainability/energy program.
- FY 2009-10 will continue the City's commitment to an alternative fuels program for its fleet, maintaining a switch to ethanol and biodiesel in order to reduce vehicle emissions and petroleum consumption.
- The FY 2009-10 General Fund CIP includes \$752,000 and the Water Resources CIP includes \$701,000 in funding for vehicle replacement, which will also have a substantial positive impact on the City's emissions production and petroleum consumption.
- The FY 2009-10 Public Works budget includes an additional \$100,000 to enhance downtown cleanliness efforts.

Safe: Asheville will be one of the safest and most secure communities when compared to similar cities.

- On July 1st, 2009, there will be a transition of a portion of the Haw Creek Fire Department county fire district to the City of Asheville Fire Department. In order to service this expansion of the Asheville Suburban Fire District, two additional Fire Engineers and two additional Firefighters are added to the FY 2009-10 budget at a cost of approximately \$150,000. The City will receive additional revenue from fire district and sales taxes to offset the cost of servicing this area.
- In FY 2008-09, the City of Asheville implemented an improved Citizens' Emergency Notification System. The Code Red System allows citizens to register for emergency notification via cellular phone in addition to traditional home telephone notifications. \$55,000 is included in the FY 2009-10 Fire Department budget to fund continued vendor support for this system.

CITY MANAGER'S BUDGET MESSAGE

- The City of Asheville will continue its commitment to improve security systems at city facilities with \$125,000 budgeted for related capital improvements.
- The FY 2009-10 budget also includes the addition of three Firefighters and two Police Officers to service the Airport Road and Ridgefield annexation areas. The Fire Department operating budget also includes \$100,000 in additional costs to pay the annexation contracts associated with these two annexations.

Sustainable: Asheville will support a sustainable community and a sustainable city government through a strong commitment to infrastructure maintenance, capital improvements, long-term planning and fiscal responsibility.

- The FY 2009-10 Parks & Recreation budget includes \$300,000 to contract for maintenance of the new Pack Square Park once it is completed. As a part of the City's partnership with Buncombe County on this project, the County will be reimbursing the City for \$150,000 of these costs.
- The Parks & Recreation CIP provides \$500,000 to fund critical infrastructure repair projects at Walton Street pool and the Municipal Golf Course. \$300,000 is budgeted to complete the replacement of the irrigation system at the Municipal Golf Course. Replacement of the irrigation system on the front nine at the golf course was funded in FY 2007-08. This additional funding will allow for replacement of the system on the back nine, which currently does not meet state regulations for backflow prevention. Completion of these improvements will keep the golf course in compliance with water protection regulations. \$200,000 is budgeted for improvements at the Walton Street pool. The current pool has major structural problems, including water leakage which is costing the City money.
- The FY 2007-08 CIP included \$2.0 million to replace the City's enterprise software system (H.T.E.). This project has begun implementation, and is currently within budget and on track to hit the Phase I go-live date of January 2010. Recent milestones achieved include a successful hardware procurement and implementation. The FY 2009-10 budget includes approximately \$150,000 in additional operating expenses required during the transition period from H.T.E. to MUNIS in order to pay the maintenance agreements for both systems.
- The FY 2009-10 budget continues the City's commitment to repair aging infrastructure by continuing to provide \$250,000 for capital improvements at the Civic Center and \$952,300 for street and sidewalk maintenance.
- The City of Asheville continues its partnership with the Tourism Development Authority in FY 2009-10 to implement a community-wide wayfinding program. The Parking operating fund includes a \$57,240 allocation to fund wayfinding and improved directional signage in city parking decks.
- The proposed CIP includes \$1.87 million to fund sewer projects for the Sardis Road and Airport Road annexation areas. Council budgeted \$180,000 in FY 2007-08 for initial design work on the Sardis Road sewer. To complete installation of the sewer, the FY 2009-10 includes an additional \$1,620,000 in funding. The full cost of the Airport Road sewer project, including both design and installation, is budgeted at \$250,000.

ORGANIZATIONAL STRUCTURE

Fund Accounting

The accounts of the City of Asheville are organized and operated on the basis of funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds included in the City of Asheville adopted budget can be grouped into two types: governmental funds and proprietary funds. Governmental funds are those through which most functions of the City are financed. Proprietary funds are used to account for City activities that are similar to those often found in the private sector. Specific City of Asheville funds include:

General Fund

The General Fund is a governmental fund that encompasses most of the City's day-to-day operations, such as police, fire, refuse collection, street maintenance, and parks and recreation. General Fund operations are primarily funded through property tax dollars, but are also supported through sales tax revenue, charges for service, license & permit fees, and investment earnings.

Enterprise Funds

Enterprise Funds are proprietary funds used to account for activities that operate like private businesses, where expenses are primarily financed by revenues derived from user charges. For the City of Asheville, these funds are:

- Transit Services Fund
- Parking Services Fund
- Water Resources Fund
- Civic Center Fund
- Festivals Fund
- Stormwater Utility Fund
- Golf Fund

Capital Funds

Capital Funds are used to account for capital replacements and improvements. Funding is provided from operations, federal or state grants, or long-term financing and may be annual appropriations or project appropriations. Appropriations are approved through the Capital Improvement Plan process. Capital Funds include:

- General Capital Projects Fund
- Street and Sidewalk Improvement Fund
- Community Development Fund
- Water Major Capital Improvement Fund
- HOME Fund
- Civic Center Capital Fund
- Parking Services Capital Fund
- Transit Services Capital Fund

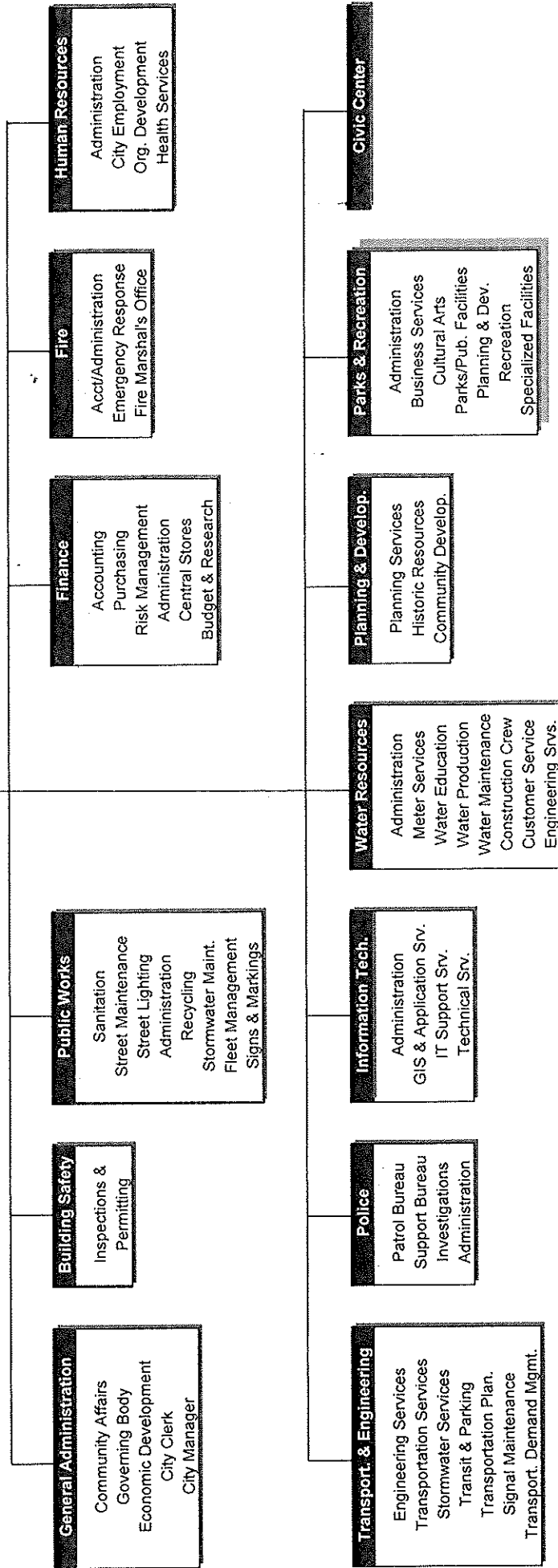
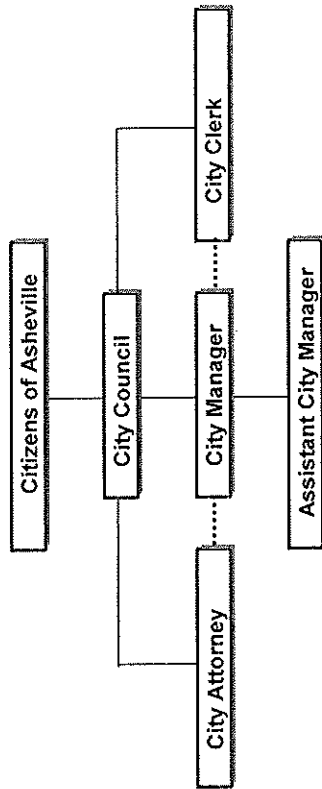
How Funds Interact

City funds interact in a variety of ways. Expenses that occur in one fund are frequently incurred to benefit another fund. When this occurs, the benefiting fund may reimburse the fund providing the goods and services. Examples of such transactions include general government services provided by the General Fund to the Water Resources Fund. Interfund transfers may also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2009-10 budget includes a transfer from the General Fund to the Civic Center Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

Departments & Divisions

Departments are organizational units that provide a major type of public service, such as fire or police protection. Departments are usually subdivided into one or more divisions. For instance, the police department consists of four divisions: administration, criminal investigations, support bureau, and patrol bureau. Often within each division there are smaller units responsible for performing specific activities. For example, within the police patrol division is the K-9 patrol team and the anti-crime team.

A City organizational chart is presented on the following page.



Department
Divisions

BUDGET PROCESS

Budget Preparation Overview

Budget preparation affords departments the opportunity to reassess their goals and objectives and the strategies for accomplishing them. Even though the budget may be heard by City Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenues, and financial capacity. It is against this backdrop that departmental expenditure requests are formulated and reviewed. The FY 2009-10 Budget Calendar is displayed on page 17.

Financial Forecasting

The annual budget process begins with the Budget Office preparing revenue and expenditure projections. These projections serve as the framework for financial decision-making during the City's annual strategic planning and budgeting process. The Budget Office updates the City's general fund forecast annually to adjust for changes in local, state, and national economic conditions and trends; changes in City Council priorities and policies; and other variables that might affect the City's ability to provide needed services and maintain its financial health in future years.

City Council Strategic Planning

Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. The annual strategic planning process begins with the City Council Retreat in late January, at which time Council identifies its goals and priorities for the upcoming fiscal year. The Council's directives set the tone for the development of the annual budget.

Departmental Budget Development

Departments begin developing their budget requests in January. During this phase, departments are encouraged to thoroughly review all programs and services assessing their "value" and priority to the citizens of Asheville. Examination of current departmental programs or positions for possible trade-offs, reduction, or elimination is strongly suggested.

Any new programs or services that departments would like funded are submitted to the Budget Office as expansion requests. Expansion requests identify the program's purpose, costs, objectives, and proposed funding sources. The expansion request also describes how the new or enhanced program is linked with overall Council priorities. Departments are encouraged to prioritize their expansion requests and only submit a limited number of requests each year.

In addition to the budget worksheets and expansion request forms, departments are required to submit the following information to the Budget & Research Office:

- *Low Priority Services.* Each department is required to submit a list of existing programs and services that could be eliminated, reduced or scaled back. These services can be used as possible "program trade-offs," allowing departments to shift resources from low priority services to new or enhanced services in order to maximize budget target allowances.
- *New or Increased Fees.* Proposals for new or increased user fees are also submitted with the departmental budget request packages. Some or all additional revenue generated from new or enhanced fees may also be used as a way to maximize departmental target allowances.
- *Performance Objectives & Measures.* Performance measures are used to report on the achievements, impacts and outcomes of key City programs. Departments submit an update of their performance objectives and measures during the budget process. Departments report on prior year performance, update current year estimates, and set targets for the upcoming fiscal year. Departments are also encouraged to continually evaluate and refine their performance indicators to ensure that they accurately reflect the organization's mission and priorities.

BUDGET PROCESS

City Manager Review

Once the Budget Office has completed its technical review of the budget, department directors meet with the City Manager in team sessions to discuss the operating and capital budget requests. Expansion requests are evaluated based on the City's financial capacity and on how they relate to City Council priorities. In most years, monies exist to fund only a small number of expansion requests. Following these senior management sessions, a citywide proposed operating budget is developed.

Budget Adoption

The City of Asheville adopts its annual operating budget in accordance with North Carolina General Statutes (N.C.G.S. 159 - Local Government Budget and Fiscal Control Act). These statutes require that City Council adopt a balanced budget in which estimated revenues and appropriated fund balances equal expenditures. The City Manager must submit a balanced budget proposal to the City Council by June 1 of each year, and City Council must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain taxpayer comment before City Council adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

Budget Amendments & Revisions

After the Budget Ordinance is enacted, state law permits City Council to amend it at any time during the fiscal year. Each amendment must continue to adhere to the balanced budget statutory requirements. Amendments may in no way change the property tax levy or alter a taxpayer's liability.

Budget revisions are transfers within a departmental budget not affecting the total departmental appropriation or fund total. Budget revisions do not require City Council approval.

Basis of Budgeting

As required by the North Carolina Local Government Budget & Fiscal Control Act, the budget is prepared and adopted using the modified accrual basis of accounting. Briefly, this means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available. The City considers all revenues available if they are collected within 60 days after year end, except for property taxes. Those revenues susceptible to accrual include: investment earnings, sales tax, and grants-in-aid earned.

During the year, the City's accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via monthly accounting system reports. At year-end, the City's Comprehensive Annual Financial Report (CAFR) is prepared on a basis consistent with "generally accepted accounting principles" (GAAP). This basis of accounting conforms to the way the City prepares its budget, with a couple of notable exceptions. One, certain items that are referred to as revenues and expenditures in the budget are included as other financing sources and uses in the CAFR. In addition, for financial statement presentation, proprietary funds are adjusted to the full accrual basis. The most significant differences between budget and CAFR for proprietary funds are: a) capital outlay & debt service principal payments are recorded as expenditures for budgetary purposes as opposed to adjustments of balance sheet accounts in the CAFR (GAAP); and b) depreciation is recorded as an expense in the CAFR (GAAP) and not recognized for budgetary purposes.

All outstanding encumbrances on the accounting system on June 30 are carried over into the next year's budget. Outstanding encumbrances at year end do not constitute expenditures or liabilities.

FY 2009-10 BUDGET SCHEDULE

<u>Event</u>	<u>Date</u>
Operating Budget Process Begins (Budget Work Papers Provided to Departments)	<i>January 5</i>
Departmental FY 2009-10 Budgets Submitted to Finance Department	<i>February 2</i>
Technical Budget Reviews with Departments	<i>February 9 – 20</i>
2 nd Quarter Financial Report & FY 2009-10 Budget Update	<i>February 24</i>
City Manager & Management Team Budget Preparation	<i>February 25 – March 23</i>
Finance Committee Reviews Fees & Charges Requests	<i>February – mid March</i>
FY 2009-10 Budget Update/Fees & Charges presented to City Council	<i>March 24</i>
Budget Finalization	<i>March 25 - April 24</i>
FY 2009-10 Budget Preview/Adoption of FY 2009-10 Fees & Charges	<i>April 14</i>
Formal Budget Presentation/3rd Quarter Financial Report/Set Public Hearing	<i>May 12</i>
Budget Worksession (Special Meeting if needed)	<i>May 19</i>
Budget Worksession	<i>May 26</i>
Budget Worksession/Public Hearing	<i>June 9</i>
Budget Adoption	<i>June 23</i>

FINANCIAL POLICIES

A. Revenue Policy

1. As provided by the North Carolina Local Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a) Assessed valuation shall be estimated based on historical trends and growth patterns in a conservative manner.
 - b) The estimated rate of collection of the levy shall not exceed the rate of the preceding fiscal year.
 - c) The tax rate shall be set each year based on the cost of providing general government services. Rates shall be adjusted periodically, but shall not result in revenues exceeding a 5% annual growth in Ad Valorem Tax revenues excluding growth in valuation or an increased collection rate.
2. The City sets fees that will maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service:
 - a) To the extent possible, user charges for water, sewer and downtown parking will be sufficient to finance all operating, capital and debt service costs for said services.
 - b) The Civic Center will operate in a manner such that 90% of budgeted operating costs will be financed through user charges. A profit and loss statement will be prepared for each event for evaluation of cost recovery.
 - c) Recreational programs will be funded from user charges for all programs for which it is practical to charge. User charges should represent at least 10% of the total recreational budget.
 - d) Building and code enforcement activities will be funded through user charges in the form of building permits, inspections, and plan review fees. These fees should represent 100% of operating costs.

e) To the extent practical, any general city service, which is of a higher level or benefits specific recipients, shall be supported by user fees designed to recover costs from such recipients.

f) Where user fees are based on cost recovery, said costs shall be reviewed annually and fees adjusted as practicable.

3. The City will project revenues for five years and will update the projections annually.

B. Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriated shall not exceed an amount that management can reasonably expect to save during the year.
2. Debt or bond financing will not be used to finance current expenditures.
3. The City will begin to develop a program to integrate performance measures and productivity indicators with the annual budget.
4. The City will prepare a five-year operating budget projection which will include projections of annual growth plus allowances for operating costs of new capital facilities.
5. The City will establish a risk management program to provide for protection against loss and a reduction in exposure to liability. The City will investigate the establishment of a self-insurance program to provide for protection against major loss in excess of an appropriate amount with excess coverage being purchased to cover catastrophic loss. The establishment of a comprehensive safety program will also be investigated to minimize the City's exposure to liability and thereby reduce the number of claims filed.
6. The City will maintain a capital reserve fund to replace all vehicles and other capital outlay items with a life of more than one year and a value of \$7,500 or more. Revenue equivalent to 7.0 cents on the tax rate and 60% of one-half cent sales tax will be appropriated annually to this fund.

FINANCIAL POLICIES

7. The City will maintain a street & sidewalk reserve fund to provide for upgrading the City's street, sidewalk, and storm drainage systems. Revenues equivalent to 4.1 cents on the tax rate and Powell Bill revenues will be appropriated annually to this reserve.
8. It is the City's policy not to fund requests from outside organizations which provide social services or services which are County-wide in scope.
9. It is the City's policy that all general fund balance exceeding 15% of expenditures shall be earmarked for capital reserve purposes.
10. It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

C. Capital Improvement Policy

1. The City will update and readopt annually a six-year capital improvement program which details each capital project, the estimated cost, description and funding source.
2. The capital improvements plan should be tied to the City's comprehensive growth plan, "City Plan 2025," to ensure that the capital items requested meet the future growth needs for the City.
3. Operating expenditures will be used to maintain the Capital Improvements Program and provide all salaries, operating costs, and small capital outlay required.

D. Accounting Policy

1. The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act.
2. An annual audit will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements, with a management letter detailing areas that need improvement if required.

3. Full disclosure will be provided in the financial statements and bond representations.
4. Financial systems will be maintained to monitor expenditures and revenues on a monthly basis.
5. All revenue collections will be consolidated under the Director of Finance and be audited at least annually.
6. The City's annual financial report will be prepared according to the standards necessary to obtain the Certificate of Achievement of Excellence in Financial Reporting from GFOA and submitted each year for the recognition.
7. The City's Fiscal Procedures Manual will be maintained as a central reference point and handbook for all activities which have a fiscal impact within the City and will serve as the City's authoritative source for fiscal procedures.

E. Debt Policy

1. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
2. The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.
3. Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.
4. Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
5. The City will maintain its financial condition so as to maintain a minimum AA bond rating.
6. The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.

FINANCIAL POLICIES

F. Reserve Policy

1. The City will maintain an unallocated fund balance to be used for unanticipated emergencies of 15% of the general operating budget (excluding capital outlay). These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate need for short-term borrowing, and assist in maintaining an investment-grade bond rating.
2. The City will establish a contingency reserve to provide for unanticipated expenditures of a nonrecurring nature or to meet unexpected increases in service delivery costs. This reserve will be budgeted at 1.5% of the general fund revenues estimated for that fiscal year.
3. The City will maintain a two-to-one ratio of total current assets over total current liabilities in all enterprise funds.

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

FUND SUMMARY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Revenues:</u>				
General Fund	86,335,365	87,724,015	89,259,246	92,688,293
Water Resources Fund	31,437,503	32,627,659	35,371,109	33,149,629
Transit Services Fund	4,637,865	4,777,881	5,395,260	5,659,280
Civic Center Fund	2,052,530	2,207,266	2,239,414	2,084,115
Parking Services Fund	2,927,021	3,095,654	3,099,700	2,839,700
Golf Fund	896,252	966,561	1,164,701	1,000,000
Stormwater Utility Fund	3,073,936	3,105,942	3,304,383	2,899,218
Festivals Fund	<u>887,044</u>	<u>1,062,609</u>	<u>1,107,681</u>	<u>779,143</u>
Total	132,247,516	135,567,587	140,941,494	141,099,378
Less Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
Net Revenue	<u>127,840,950</u>	<u>130,663,331</u>	<u>135,605,127</u>	<u>136,231,350</u>
<u>Expenditures:</u>				
General Fund	81,735,181	90,964,262	89,259,246	92,688,293
Water Resources Fund	30,089,287	30,960,467	35,371,109	33,149,629
Transit Services Fund	4,289,875	4,815,873	5,395,260	5,659,280
Civic Center Fund	1,972,880	2,015,649	2,239,414	2,084,115
Parking Services Fund	1,893,523	2,358,799	3,099,700	2,839,700
Golf Fund	953,622	1,005,496	1,164,701	1,000,000
Stormwater Utility Fund	2,269,157	2,579,320	3,304,383	2,899,218
Festivals Fund	<u>1,310,166</u>	<u>1,179,759</u>	<u>1,107,681</u>	<u>779,143</u>
Total	124,513,691	135,879,625	140,941,494	141,099,378
Less Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
Net Expenditure	<u>120,107,125</u>	<u>130,975,369</u>	<u>135,605,127</u>	<u>136,231,350</u>

OPERATING BUDGET SUMMARY: ALL FUNDS

BUDGET SUMMARY BY FUND

Sources of Funds:

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	All Funds
Property Tax	45,413,548	0	0	0	0	0	0	0	45,413,548
Charges For Service	11,439,835	32,576,439	911,000	1,548,400	2,665,218	0	319,800	1,000,000	50,460,692
Intergovernmental	11,393,131	0	3,317,333	0	0	0	0	0	14,710,464
Local Option Sales Tax	15,880,273	0	0	0	0	0	0	0	15,880,273
Other Taxes	330,000	0	0	0	0	0	0	0	330,000
Licenses & Permits	4,999,049	0	310,000	0	204,000	0	0	0	5,513,049
Investment Earnings	1,014,000	550,000	0	70,000	30,000	50,000	0	0	1,714,000
Miscellaneous	320,093	23,190	0	70,900	0	2,789,700	273,917	0	3,477,800
Other	0	0	248,116	3,500	0	0	700	0	252,316
General Fund Subsidy	0	0	872,831	391,315	0	0	184,726	0	1,448,872
Appropriated Fund Balance	1,898,364	0	0	0	0	0	0	0	1,898,364
Total Revenue	92,688,293	33,149,629	5,659,280	2,084,115	2,899,218	2,839,700	779,143	1,000,000	141,099,378
Less: Interfund Transactions									(4,868,028)
Net Revenue									136,231,350

Uses of Funds:

	General Fund	Water Resources	Transit Services	Civic Center	Stormwater Utility	Parking Services	Festivals	Golf	All Funds
Salaries & Wages	43,123,462	6,040,760	142,091	916,867	1,470,589	702,566	133,526	443,137	52,972,998
Fringe Benefits	14,880,912	2,363,180	44,601	299,296	504,294	271,152	42,849	146,423	18,552,707
Operating Costs	24,363,175	10,128,355	5,472,588	860,952	864,558	1,013,626	602,768	410,440	38,848,434
Interfund Transfers	1,748,872	0	0	0	0	248,116	0	0	1,996,988
Debt Service	5,429,922	7,637,399	0	0	50,000	500,000	0	0	13,617,321
Capital Outlay	3,141,950	6,979,935	0	7,000	9,777	104,240	0	0	10,242,902
Total Expenditure	92,688,293	33,149,629	5,659,280	2,084,115	2,899,218	2,839,700	779,143	1,000,000	141,099,378
Less: Interfund Transactions									(4,868,028)
Net Expenditure									136,231,350

BUDGET SUMMARY - EXPENDITURES

<u>Service Area</u>	2006-07	2007-08	2008-09	2009-10
Departments	Actual	Actual	Budget	Adopted
<u>General Government</u>				
Finance	5,717,640	2,470,842	2,642,397	2,759,415
Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
General Administration	1,780,402	1,977,238	1,886,512	1,924,038
Legal Services	502,051	576,739	624,864	597,602
Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
Health Care Tran. (Employee Share)	**	2,740,926	2,800,000	2,740,926
Nondepartmental	1,511,482	1,280,911	1,259,593	1,341,255
Total General Government	12,329,032	12,641,041	13,060,610	13,588,191
<u>Public Safety</u>				
Police	16,251,889	18,569,261	19,735,634	20,050,056
Fire & Rescue	14,450,624	16,426,305	16,613,560	17,991,504
Nondepartmental	314,213	601,142	376,629	391,088
Total Public Safety	31,016,726	35,596,708	36,725,823	38,432,648
<u>Environment & Transportation</u>				
Water Resources Fund	30,089,287	30,960,467	35,371,109	33,149,629
Public Works	10,202,154	11,466,431	12,162,261	13,005,455
Engineering	1,814,662	1,858,662	1,600,030	1,571,187
Transit Services Fund	4,289,875	4,815,873	5,395,260	5,659,280
Parking Services Fund	1,893,523	2,358,799	3,099,700	2,839,700
Stormwater Utility Fund	2,269,157	2,579,320	3,304,383	2,899,218
Nondepartmental	2,238,896	2,327,865	2,518,497	1,825,131
Total Environ. & Transportation	52,797,554	56,367,417	63,451,240	60,949,600
<u>Culture & Recreation</u>				
Parks, Rec. & Cultural Arts	8,337,829	8,944,270	9,897,088	10,661,583
Civic Center Fund	1,972,880	2,015,649	2,239,414	2,084,115
Golf Fund	953,622	1,005,496	1,164,701	1,000,000
Festivals Fund	1,310,166	1,179,759	1,107,681	779,143
Interfund Transfers	413,340	685,120	636,365	576,041
Nondepartmental	316,295	14,375	17,500	5,000
Total Culture & Recreation	13,304,132	13,844,669	15,062,749	15,105,882
<u>Community Development</u>				
Building Safety	2,084,331	2,795,629	2,595,832	2,756,621
Planning & Development	1,509,865	1,745,332	1,880,568	1,839,264
Housing Trust Fund	600,000	600,000	600,000	300,000
Nondepartmental	176,575	213,491	326,350	712,250
Total Community Development	4,370,771	5,354,452	5,402,750	5,608,135
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
General Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
TOTAL BUDGET	124,513,691	135,879,625	140,941,494	141,099,378
Less: Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
NET BUDGET	<u>120,107,125</u>	<u>130,975,369</u>	<u>135,605,127</u>	<u>136,231,350</u>

** Accounted for in the Finance Department prior to FY 2007-08.

BUDGET SUMMARY - EXPENDITURES

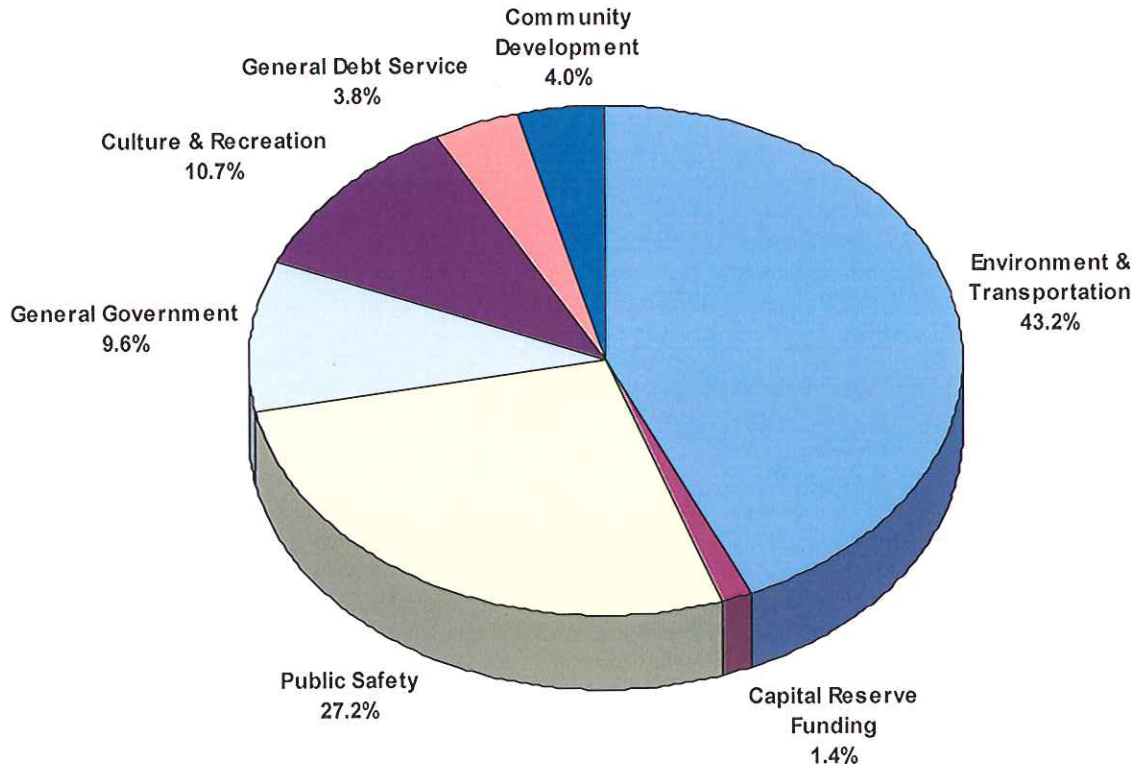
<i><u>Expenditures by Category</u></i>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Salaries & Wages	43,476,117	48,183,920	51,844,744	52,972,998
Fringe Benefits	13,430,104	15,775,166	17,080,604	18,552,707
Operating Costs	34,937,062	36,387,796	37,793,079	40,845,422
Debt Service	11,130,407	11,629,868	14,008,792	13,617,321
Capital Outlay	<u>17,133,705</u>	<u>18,998,619</u>	<u>14,877,908</u>	<u>10,242,902</u>
NET BUDGET	<u>120,107,125</u>	<u>130,975,369</u>	<u>135,605,127</u>	<u>136,231,350</u>

BUDGET HIGHLIGHTS

- Overall, the City's FY 2009-10 adopted budget shows a 0.5% increase compared to FY 2008-09.
- The FY 2009-10 adopted budget includes no new funding for merit or market-based pay increases for City employees. The personnel budget also reflects a net overall reduction of 10.26 FTE positions citywide. Despite these reductions, the salary budget shows a slight 2.2% increase primarily due to the carryover impact of merit increases awarded in FY 2008-09 for a partial year (based on employee anniversary dates) for which the full cost impact will take place in FY 2009-10.
- Due to rising health care costs, the fringe benefit budget includes a 15% or \$1.1 million increase in the City's contribution to the health care fund.
- Citywide operating costs show an increase of \$3.0 million or 8.1% in FY 2009-10. Most of this increase is in the general fund and water resources fund. In the water fund, operating costs are up 15% primarily due to increases in electricity rates and increased costs for materials, including the chemicals used in water treatment. In the general fund, operating costs show a \$2.5 million or 11.3% increase. Major items contributing to this increase include: 1) the addition of \$300,000 in new contract expenses for the operation of Pack Square Park; 2) a \$375,000 increase in electricity and streetlighting costs; 3) the inclusion of the \$450,000 economic development/annexation payment to the Biltmore Town Center; 4) the addition of \$160,000 to pay for the fall 2009 City Council elections; 5) \$150,000 in expenses associated with the transition expenses associated with the BTIP project, and 6) a \$106,764 increase in tipping fees at the County landfill.
- Overall, capital funding shows a decrease of \$4.6 million or 31.2% in FY 2009-10. A significant portion of this decline is due to the removal of a one-time fund balance appropriation of \$3.5 million in the water resources fund for the Brevard Road NCDOT project. In the general fund, capital outlay shows an increase of 9.4% primarily as a result of additional funding directed toward the Airport Road annexation sewer project.
- Annual debt service requirements for FY 2009-10 total \$13.62 million, which represents a decrease of 2.8% compared to FY 2008-09. The majority of this decrease is in the general fund where an equipment financing debt issuance from 2004 is being paid off in the current fiscal year.

BUDGET SUMMARY - EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 EXPENDITURES BY SERVICE AREA NET TOTAL \$136,231,350



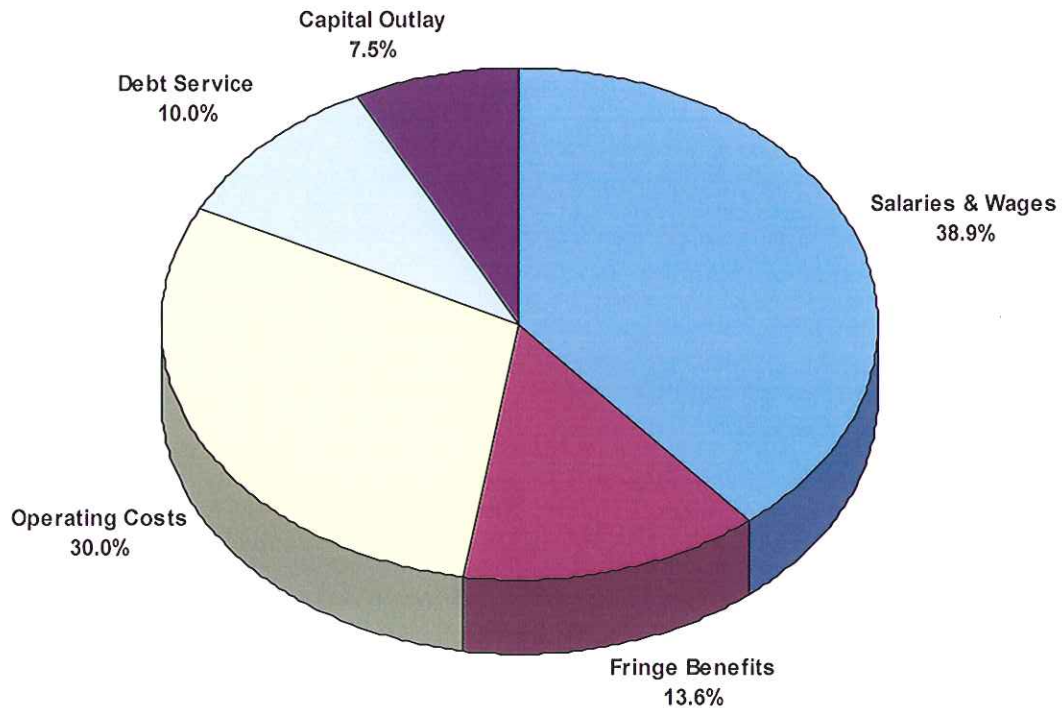
Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	<u>2008-09 Budget</u>	<u>2009-10 Adopted</u>	<u>Change From Prior Year</u>	
			<u>in \$</u>	<u>in %</u>
Environment & Transportation	63,451,240	60,949,600	(2,501,640)	-3.9%
Public Safety	36,725,823	38,432,648	1,706,825	4.6%
Culture & Recreation	15,062,749	15,105,882	43,133	0.3%
General Government	13,060,610	13,588,191	527,581	4.0%
General Debt Service	5,709,822	5,429,922	(279,900)	-4.9%
Community Development	5,402,750	5,608,135	205,385	3.8%
Capital Reserve Funding	1,528,500	1,985,000	456,500	29.9%
Total Expenditures	140,941,494	141,099,378	157,884	0.1%
Less: Interfund Transfers	(5,336,367)	(4,868,028)	468,339	-8.8%
Net Expenditures	<u>135,605,127</u>	<u>136,231,350</u>	<u>626,223</u>	<u>0.5%</u>

Note: Debt service payments in the Water Resources and Parking Services funds are included in the Environment & Transportation service area. All other debt service is included under General Debt Service.

BUDGET SUMMARY - EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 EXPENDITURES BY CATEGORY NET TOTAL \$136,231,350



Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	2008-09	2009-10	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	51,844,744	52,972,998	1,128,254	2.2%
Fringe Benefits	17,080,604	18,552,707	1,472,103	8.6%
Operating Costs	37,793,079	40,845,422	3,052,343	8.1%
Debt Service	14,008,792	13,617,321	(391,471)	-2.8%
Capital Outlay	14,877,908	10,242,902	(4,635,006)	-31.2%
Net Expenditures	<u>135,605,127</u>	<u>136,231,350</u>	<u>626,223</u>	<u>0.5%</u>

BUDGET SUMMARY - REVENUES

<u>Revenue Sources:</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Property Tax	41,265,168	42,137,549	43,437,175	45,413,548
Charges For Service	46,874,315	48,140,866	48,369,647	50,460,692
Intergovernmental	11,816,509	13,010,051	13,182,819	14,710,464
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Other Taxes	320,916	313,987	330,000	330,000
Licenses & Permits	6,425,813	5,799,785	5,646,820	5,513,049
Investment Earnings	2,779,911	3,132,071	1,899,000	1,714,000
Parking Fees	2,866,774	3,008,299	3,048,700	2,789,700
Miscellaneous	784,607	1,166,946	1,184,716	688,100
Other/Interfund Subsidy	1,714,338	2,309,608	2,476,628	1,701,188
Appropriated Fund Bal.	--	--	<u>3,773,822</u>	<u>1,898,364</u>
Total Revenue	132,247,516	135,567,587	140,941,494	141,099,378
Less: Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
Net Revenue	<u>127,840,950</u>	<u>130,663,331</u>	<u>135,605,127</u>	<u>136,231,350</u>

BUDGET HIGHLIGHTS

- Based on estimates from the Buncombe County Tax Assessor, staff has budgeted 4.5% growth in property taxes for FY 2009-10. Approximately half of this growth is attributable to natural increases in the tax base from new construction. The rest of the growth in the tax base is the result of the Ridgefield, Airport Road, and Biltmore Town Center annexations, which combined will generate approximately \$980,000 in property tax revenue. It should be noted that under the annexation/economic development agreement with the Biltmore Town Center, the City will refund all property tax revenue collected from this development in FY 2009-10.
- Revenue from charges for services shows a 4.5% increase. Most of this increase is due to the 4% increase in water rates and the additional fee increases in the water resources fund, which are expected to generate \$1.8 million in new revenue. City Council also passed fee increases in the general fund, which will produce approximately \$830,000 in additional revenue.
- Because of the severe economic recession, the City has seen its sales tax revenue declined by 6.0% during the first eight months of FY 2008-09 compared to that same time period in FY 2007-08. Based on forecasts from the North Carolina League of Municipalities, staff has projected that this trend will continue for the remainder of FY 2008-09 and that sales tax revenue will show no growth in FY 2009-10. As a result, the sales tax budget for FY 2009-10 shows a decline of \$1.7 million or 9.7% compared to the FY 2008-09 budget.
- Intergovernmental revenue shows an increase of \$1.5 million or 11.6% in FY 2009-10, primarily due to a budgeted increase in federal funding for the transit fund.
- A slight decrease of 2.4% is budgeted for licenses and permits revenue as the economic recession has slowed the rate of development requests. The recession has also negatively impacted parking fees revenue, which shows a budget-to-budget decrease of 8.5%
- The adopted budget includes the use of \$1.9 million in fund balance to balance the general fund budget.

BUDGET SUMMARY - REVENUES

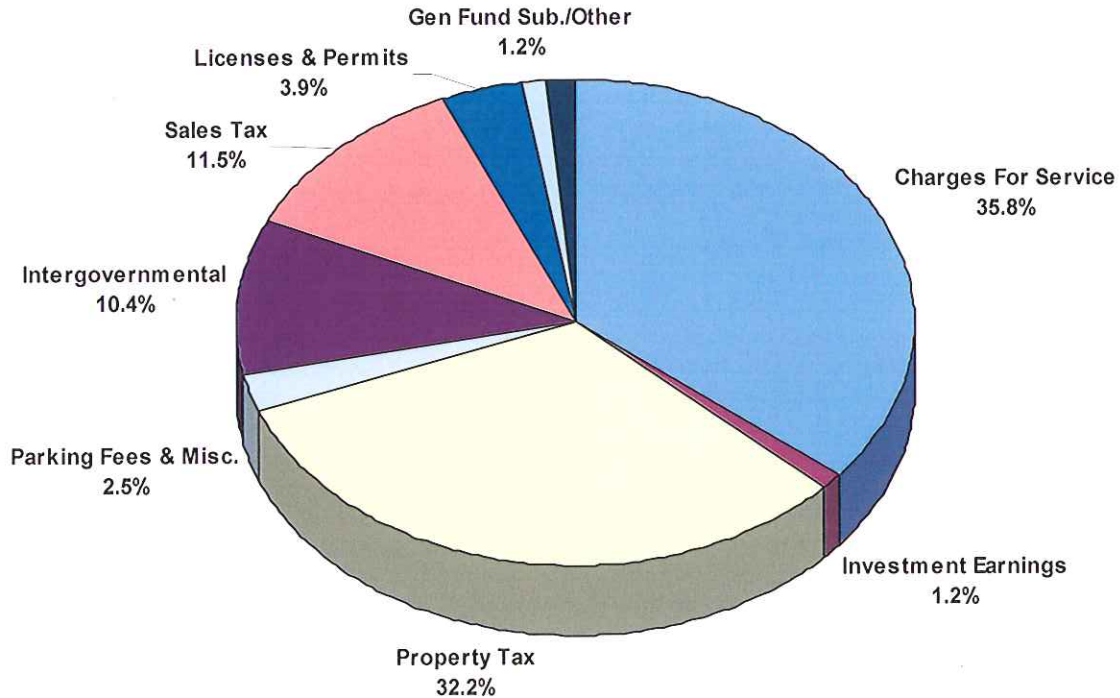
<u>Summary of City Funds</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>General Fund</u>				
Property Tax	41,265,168	42,137,549	43,437,175	45,413,548
Intergovernmental	9,441,851	10,934,063	10,867,167	11,393,131
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Other Taxes	320,916	313,987	330,000	330,000
Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
Licenses & Permits	5,877,789	5,187,003	5,026,280	4,999,049
Investment Earnings	1,660,801	1,543,080	1,014,000	1,014,000
Miscellaneous	594,084	740,492	304,000	320,093
Appropriated Fund Bal.	-	-	216,263	1,898,364
Total General Fund	<u>86,335,365</u>	<u>87,724,015</u>	<u>89,259,246</u>	<u>92,688,293</u>
 <u>Water Resources Fund</u>				
Charges For Service	30,406,152	31,132,542	30,974,000	32,576,439
Investment Earnings	940,606	1,427,717	800,000	550,000
Appropriated Fund Bal.	0	0	3,557,559	0
Miscellaneous	90,745	67,400	39,550	23,190
Total Water Resources Fund	<u>31,437,503</u>	<u>32,627,659</u>	<u>35,371,109</u>	<u>33,149,629</u>
 <u>Transit Services Fund</u>				
Intergovernmental	2,374,658	2,075,988	2,315,652	3,317,333
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Licenses & Permits	308,638	307,352	333,540	310,000
Charges For Service	658,914	870,860	796,755	911,000
Miscellaneous	943	0	135,000	0
Total Transit Services Fund	<u>4,637,865</u>	<u>4,777,881</u>	<u>5,395,260</u>	<u>5,659,280</u>
 <u>Parking Services Fund</u>				
Miscellaneous	2,866,774	3,008,299	3,048,700	2,789,700
Investment Earnings	60,247	87,355	51,000	50,000
Total Parking Services Fund	<u>2,927,021</u>	<u>3,095,654</u>	<u>3,099,700</u>	<u>2,839,700</u>

BUDGET SUMMARY - REVENUES

<u>Summary of City Funds</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Civic Center Fund</u>				
Charges For Service	1,479,132	1,597,855	1,716,025	1,548,400
General Fund Subsidy	413,340	431,198	397,989	391,315
Other	0	0	0	3,500
Miscellaneous	76,335	72,968	70,400	70,900
Investment Earnings	<u>83,723</u>	<u>105,245</u>	<u>55,000</u>	<u>70,000</u>
Total Civic Center Fund	<u>2,052,530</u>	<u>2,207,266</u>	<u>2,239,414</u>	<u>2,084,115</u>
 <u>Festivals Fund</u>				
Charges For Service	601,245	514,585	614,290	319,800
General Fund Subsidy	0	253,922	162,675	184,726
Miscellaneous	263,298	269,179	308,266	273,917
Other	<u>22,501</u>	<u>24,923</u>	<u>22,450</u>	<u>700</u>
Total Festivals Fund	<u>887,044</u>	<u>1,062,609</u>	<u>1,107,681</u>	<u>779,143</u>
 <u>Stormwater Utility Fund</u>				
Charges for Service	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Miscellaneous	6,286	264	280,000	0
Investment Earnings	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total Stormwater Utility Fund	<u>3,073,936</u>	<u>3,105,942</u>	<u>3,304,383</u>	<u>2,899,218</u>
 <u>Golf Fund</u>				
Charges for Service	894,037	961,389	1,089,000	1,000,000
Investment Earnings	2,215	5,172	0	0
General Fund Subsidy	<u>0</u>	<u>0</u>	<u>75,701</u>	<u>0</u>
Total Golf Fund	<u>896,252</u>	<u>966,561</u>	<u>1,164,701</u>	<u>1,000,000</u>

BUDGET SUMMARY - REVENUES

CITY OF ASHEVILLE FY 2009-10 BUDGET BY REVENUE SOURCE NET TOTAL \$136,231,350



Budget-to-Budget Revenue Comparison

Revenue Sources:	2008-09 Budget	2009-10 Adopted	Change From Prior Year	
			in \$	in %
Property Tax	43,437,175	45,413,548	1,976,373	4.5%
Charges For Service	48,369,647	50,460,692	2,091,045	4.3%
Intergovernmental	13,182,819	14,710,464	1,527,645	11.6%
Local Option Sales Tax	17,592,167	15,880,273	(1,711,894)	-9.7%
Other Taxes	330,000	330,000	-	0.0%
Licenses & Permits	5,646,820	5,513,049	(133,771)	-2.4%
Investment Earnings	1,899,000	1,714,000	(185,000)	-9.7%
Parking Fees	3,048,700	2,789,700	(259,000)	-8.5%
Miscellaneous	1,184,716	688,100	(496,616)	-41.9%
Other	2,476,628	1,701,188	(775,440)	-31.3%
Appropriated Fund Bal.	3,773,822	1,898,364	(1,875,458)	-49.7%
Total Revenue	140,941,494	141,099,378	157,884	0.1%
Less: Interfund Transactions	(5,336,367)	(4,868,028)	468,339	-8.8%
Net Revenue	135,605,127	136,231,350	626,223	0.5%

BUDGET SUMMARY - STAFFING

FULL-TIME EQUIVALENT POSITIONS BY FUND

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
General Fund	859.67	912.91	907.79	902.91
Enterprise Funds	192.50	242.26	243.26	237.88
Grant Funds	8.75	7.00	9.00	9.00
TOTAL CITY WIDE	1,060.92	1,162.17	1,160.05	1,149.79

BUDGET HIGHLIGHTS

- The FY 2009-10 budget shows a net decrease of 10.26 FTE positions.
- Twenty positions were eliminated through management streamlining and reorganizations. The City offered an early retirement incentive package during the current fiscal year which created a number of vacancies in the organization. As a result, most of the position eliminations were achieved without displacing employees.
- The adopted budget includes the addition of four positions in the Fire and Rescue Department for the expansion of the Asheville Suburban Fire District in the Haw Creek area. The budget also includes three new firefighters and two police officer positions to provide service to the Ridgefield and Airport Road annexation areas.
- A GIS Technician position was moved from the water resources fund to the general fund, and the CAYLA Coordinator position was moved from a grant fund to the general fund.
- The charts on the following three pages detail the changes in FTE positions by service area, department, and division for each of the last four fiscal years.

BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Departments & Divisions				
<u>Public Safety</u>				
Police				
Administration	12.00	12.00	12.00	11.00
Criminal Investigations	33.00	38.00	38.00	37.00
Support Bureau	37.00	41.00	41.00	39.00
Patrol Bureau	160.00	170.00	170.00	172.00
Subtotal Police	242.00	261.00	261.00	259.00
Fire & Rescue				
Accountability/Administration	5.00	5.00	5.00	5.00
Emergency Response	210.00	210.00	216.00	223.00
Fire Marshal's Office	13.00	12.00	12.00	11.00
Subtotal Fire	228.00	227.00	233.00	239.00
Total Public Safety	<u>470.00</u>	<u>488.00</u>	<u>494.00</u>	<u>498.00</u>
<u>Culture & Recreation</u>				
Parks, Recreation & Cultural Arts				
Administration	8.00	9.00	2.00	2.00
Planning			2.00	2.00
Riverside Cemetery	2.00	2.00	2.00	1.00
Cultural Arts	1.00	1.00	4.75	4.75
Athletics	5.00	5.00	4.00	4.00
Recreation Programs	33.02	32.76	30.39	30.39
After School Program	5.26	5.26	4.76	4.76
McCormick Field	1.00	1.00	1.00	1.00
Nature Center	15.00	14.75	14.75	14.75
Aston Park	2.00	2.00	2.00	2.00
Skate Park			1.00	1.00
Business Services			5.00	6.00
Specialized Facilities			2.00	1.00
Park Maintenance	36.00	39.00	35.00	33.00
Building Maintenance	8.00	8.00	8.00	8.00
City Hall Operations	4.63	5.00	5.00	5.00
Subtotal Parks & Recreation	120.91	124.77	123.65	120.65
Parks & Recreation				
Grant Funded Positions	1.00	1.00	2.00	3.00
Festivals Fund	4.50	4.75	4.75	4.75
Golf Fund	14.00	14.00	14.00	11.00
Civic Center Fund	17.00	17.51	17.51	17.13
Total Culture & Recreation	<u>157.41</u>	<u>162.03</u>	<u>161.91</u>	<u>156.53</u>

BUDGET SUMMARY - STAFFING

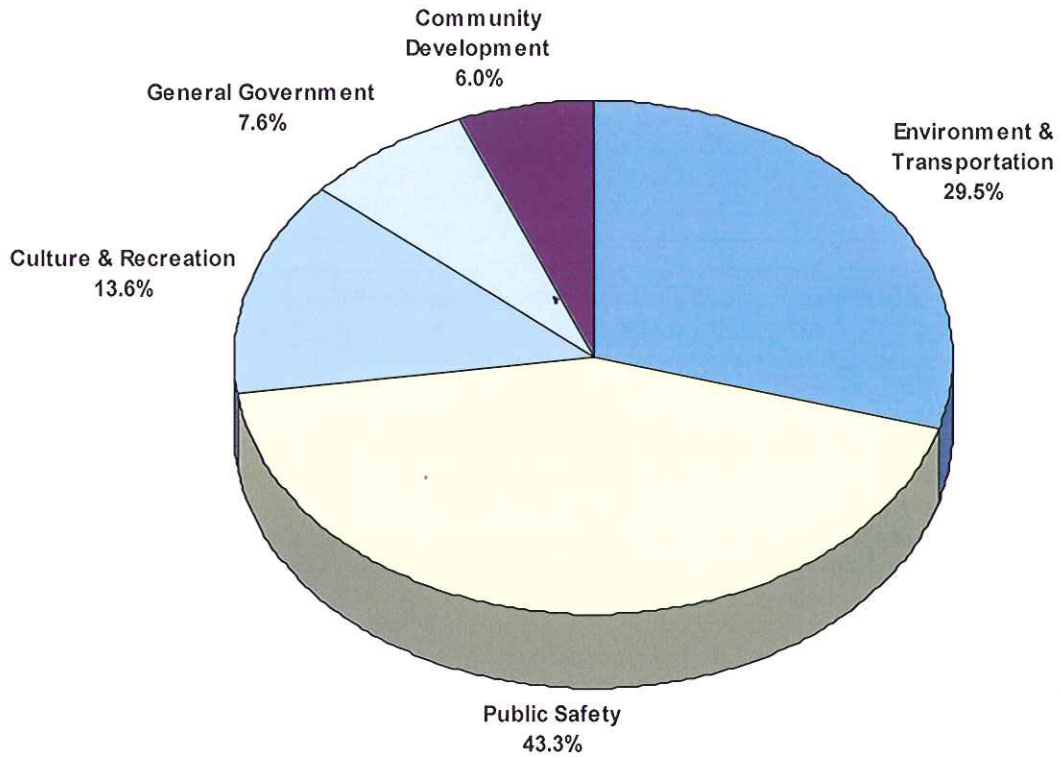
<u>SERVICE AREAS</u>	2006-07	2007-08	2008-09	2009-10
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Community Development</u>				
Planning & Development				
Planning Services	24.00	24.00	23.00	20.75
Homeless Program	0.00	1.00	1.00	1.00
Historic Resources	1.00	1.00	2.00	2.00
Subtotal Planning & Development	25.00	26.00	26.00	23.75
Building Safety	37.00	39.00	39.00	39.00
Community Development Fund	6.00	6.00	6.00	6.00
<u>Total Community Development</u>	<u>68.00</u>	<u>71.00</u>	<u>71.00</u>	<u>68.75</u>
<u>General Government</u>				
General Administration				
City Clerk	1.00	2.00	1.00	1.00
City Manager	5.00	6.00	5.00	5.00
Community Affairs	5.00	7.00	7.00	7.00
Economic Development	5.00	5.00	5.00	5.00
Subtotal General Administration	16.00	20.00	18.00	18.00
Finance				
Administration	3.00	3.00	3.00	3.00
Accounting	16.00	17.00	16.00	16.00
Purchasing	4.00	5.00	5.00	4.00
Budget & Research	3.00	3.00	3.00	3.00
Risk Management Admin	3.00	3.00	3.00	3.00
Central Stores	2.00	2.00	2.00	2.00
Subtotal Finance	31.00	33.00	32.00	31.00
Information Technology				
Administration	16.00	17.00	2.00	1.50
GIS & Application Services			4.00	5.00
IT Support Services			5.00	5.00
Technical Services			6.00	6.00
Subtotal Information Services	16.00	17.00	17.00	17.50
Human Resources				
Administration	9.50	11.50	10.50	10.50
Organization & Development	1.00	2.00	2.00	2.00
Health Services	2.26	2.26	2.26	2.63
Grant Funded	0.00	0.00	1.00	0.00
Subtotal Human Resources	12.76	15.76	15.76	15.13
City Attorney	5.00	6.00	6.00	5.50
<u>Total General Government</u>	<u>80.76</u>	<u>91.76</u>	<u>88.76</u>	<u>87.13</u>

BUDGET SUMMARY - STAFFING

<u>SERVICE AREAS</u>	2006-07	2007-08	2008-09	2009-10
Departments & Divisions	Actual	Actual	Budget	Adopted
<u>Environment & Transportation</u>				
Water Resources Fund				
Administration	7.00	7.00	8.00	7.00
Meter Services	17.00	17.00	17.00	17.00
Water Education	1.00	1.00	1.00	0.00
Water Maintenance	50.00	49.00	49.00	49.00
Water Production	32.00	41.00	41.00	41.00
Customer Service	20.00	22.00	22.00	22.00
Construction Crew	7.00	7.00	7.00	7.00
Water Engineering Services	0.00	8.00	8.00	9.00
Subtotal Water Resources Fund	134.00	152.00	153.00	152.00
Public Works				
Administration	4.00	4.75	4.75	4.75
Signs & Markings	4.00	4.00	4.00	4.00
Street Maintenance	52.00	57.00	52.00	52.00
Fleet Maintenance	14.00	14.00	14.00	14.00
Sanitation	35.00	37.00	37.00	35.00
Subtotal Public Works	109.00	116.75	111.75	109.75
Transportation & Engineering				
City Engineering	18.00	17.00	17.00	17.00
Transportation Services	3.00	4.00	3.00	2.00
Traffic Signal Maintenance	3.00	2.00	2.00	2.00
Transportation Planning	4.00	3.63	3.63	3.63
Subtotal Engineering	28.00	26.63	25.63	24.63
Stormwater Utility Fund	30.00	32.00	32.00	31.00
Transit Services Fund	2.00	3.00	3.00	3.00
Parking Services Fund	17.00	19.00	19.00	19.00
<u>Total Environment & Transportation</u>	<u>320.00</u>	<u>349.38</u>	<u>344.38</u>	<u>339.38</u>
TOTAL CITY WIDE FTE POSITIONS	1,096.17	1,162.17	1,160.05	1,149.79

BUDGET SUMMARY - STAFFING

CITY OF ASHEVILLE FY 2009-10 FTE POSITIONS BY SERVICE AREA TOTAL: 1,149.79



Budget-to-Budget Staffing Comparison

<u>Service Areas:</u>	2008-09	2009-10	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in #</u>	<u>in %</u>
Environment & Transportation	344.38	339.38	-5.00	-1.5%
Public Safety	494.00	498.00	4.00	0.8%
Culture & Recreation	161.91	156.53	-5.38	-3.3%
General Government	88.76	87.13	-1.63	-1.8%
Community Development	<u>71.00</u>	<u>68.75</u>	<u>-2.25</u>	<u>-3.2%</u>
Total Citywide FTE Positions	<u>1,160.05</u>	<u>1,149.79</u>	<u>-10.26</u>	<u>-0.9%</u>

ANALYSIS OF FUND BALANCE

<u>GENERAL FUND</u>	2008-09 Budget*	2008-09 Estimate	2009-10 Adopted
Total Revenues	89,042,983	87,938,983	90,789,929
Total Expenditures	90,702,641	89,916,011	92,688,293
Revenues Over (Under) Expenditures	(1,659,658)	(1,976,028)	(1,898,364)
Unreserved Fund Balance:			
Beginning	19,675,288	19,675,288	17,699,260
Ending	18,015,630	17,699,260	15,800,896
Ending Unreserved Fund Balance as a % of Total Expenditures	19.9%	19.7%	17.0%

*Budget as of the 3rd quarter FY 2008-09 financial report including encumbrances from the prior fiscal year.

One measure of a city's financial strength is the level of its available fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unreserved fund balance is the amount of fund balance that is remaining after reserves of fund balance for inventories, prepaid expenses, employee paid health benefits, and state statute reserve have been made. Reserves of fund balance are amounts required by state statute, or governmental accounting standards that are legally not available for spending. Fund balance that is unappropriated after budget adoption serves as a general operating reserve for the city. This operating reserve is identified as unreserved fund balance in the chart above.

According to the Local Government Commission, cities in North Carolina should have a minimum fund balance of at least 8%. The "industry average" of fund balance, however, is between 10-20% and is preferable. What are the implications when the fund balance falls below the industry average and the state's recommendation? The most costly implication is a decrease in the bond rating which characterizes the risk of the City's bonds. As the bond rating goes down, interest rates on those bonds increase and the faith and trust of the financial position of the City decreases.

If the fund balance drops to 8% or below, the State will issue a letter of warning giving the government a time frame to bring the fund balance back up. Should the government not comply, the State can step in and assume financial management.

When determining the appropriate level of fund balance for an organization, the following factors, in addition to state minimums or industry averages should be considered:

- The predictability of revenues and volatility of expenditures - a higher level of unreserved funds may be needed if significant revenue sources are subject to unpredictable fluctuations.
- The availability of resources in other funds as well as the potential drain upon general fund resources from other funds may require a higher level of unreserved fund balance.

ANALYSIS OF FUND BALANCE

- Designations by management to compensate for any portion of the fund balance already designated for a specific purpose.
- Liquidity - a disparity between when financial resources actually become available to make payments and the average maturity of the related liabilities may require a higher level of resources be maintained. One measure of a city's financial strength is the level of its available fund balances. In general, fund balance is excess or surplus money. At the end of a fiscal year, unreserved fund balance is that portion of a municipality's money that can be appropriated in the new fiscal year to cover expenditures. Fund balance that is unappropriated after budget adoption serves as a general operating reserve for the city. This operating reserve is identified as unreserved fund balance in the chart above.

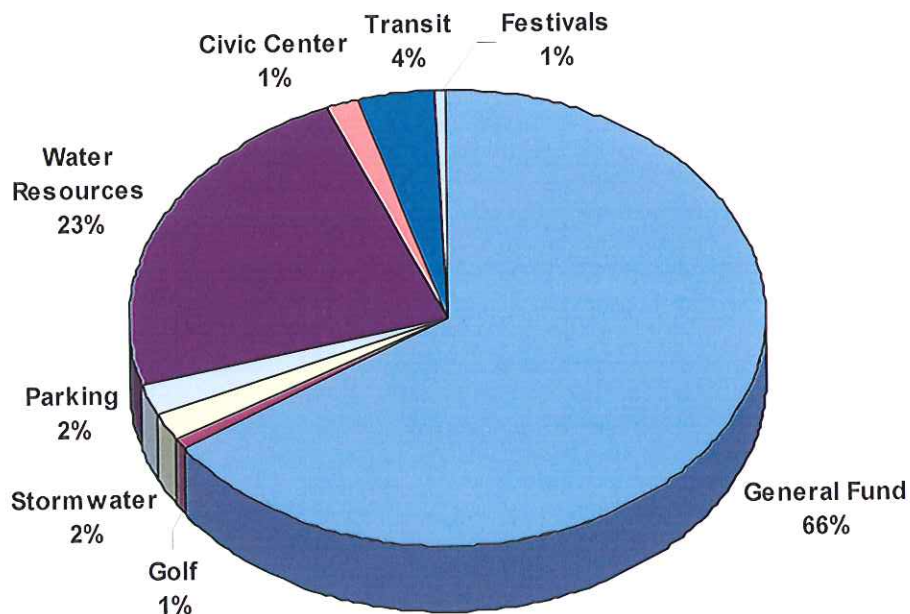
The City estimates that for the General Fund, unreserved fund balance will be approximately \$17.7 million at the end of fiscal year 2008-09, which will equal 19.7% of total estimated FY 2008-09 General Fund expenditures. The FY 2009-10 adopted budget includes a \$1.9 million General Fund appropriation from fund balance. Budget staff estimates that fund balance available for appropriation at the end of FY 2009-10 will equal 17.0% of General Fund expenditures.



FUND SUMMARY

<u>FUNDS</u>	2006-07	2007-08	2008-09	2009-10
Service Areas	Actual	Actual	Budget	Adopted
<u>GENERAL FUND</u>				
Public Safety	31,016,726	35,596,708	36,725,823	38,432,648
Environment & Transportation	14,255,712	15,652,958	16,280,788	16,401,773
General Government	12,329,032	12,641,041	13,060,610	13,588,191
Culture & Recreation	9,067,464	9,643,765	10,550,953	11,242,624
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
General Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Community Development	<u>4,370,771</u>	<u>5,354,452</u>	<u>5,402,750</u>	<u>5,608,135</u>
Total General Fund	81,735,181	90,964,262	89,259,246	92,688,293
<u>ENTERPRISE FUNDS</u>				
Environment & Transportation	38,541,842	40,714,459	47,170,452	44,547,827
Culture & Recreation	<u>4,236,668</u>	<u>4,200,904</u>	<u>4,511,796</u>	<u>3,863,258</u>
Total Enterprise Funds	42,778,510	44,915,363	51,682,248	48,411,085
TOTAL BUDGET	124,513,691	135,879,625	140,941,494	141,099,378
Less: Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
NET BUDGET	<u>120,107,125</u>	<u>130,975,369</u>	<u>135,605,127</u>	<u>136,231,350</u>

FY 2009-10 EXPENDITURES BY FUND
TOTAL: \$136,231,350



GENERAL FUND SUMMARY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Revenues:</u>				
Property Taxes	41,265,168	42,137,549	43,437,175	45,413,548
Intergovernmental	9,441,851	10,934,063	10,867,167	11,393,131
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Other Taxes	320,916	313,987	330,000	330,000
Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
Licenses & Permits	5,877,789	5,187,003	5,026,280	4,999,049
Investment Earnings	1,660,801	1,543,080	1,014,000	1,014,000
Miscellaneous	594,084	740,492	304,000	320,093
Subtotal	86,335,365	87,724,015	89,042,983	90,789,929
Appropriated Fund Bal.	--	--	216,263	1,898,364
Total Revenues	86,335,365	87,724,015	89,259,246	92,688,293

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Appropriations:</u>				
Police	16,251,889	18,569,261	19,735,634	20,050,056
Fire & Rescue	14,450,624	16,426,305	16,613,560	17,991,504
Public Works	10,202,154	11,466,431	12,162,261	13,005,455
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Parks, Recreation & Cult. Arts	8,337,829	8,944,270	9,897,088	10,661,583
Finance	5,717,640	2,470,842	2,642,397	2,759,415
Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
Nondepartmental	2,358,565	2,209,919	1,980,072	2,449,593
Building Safety	2,084,331	2,795,629	2,595,832	2,756,621
Legal Services	502,051	576,739	624,864	597,602
General Administration	1,780,402	1,977,238	1,886,512	1,924,038
Engineering	1,814,662	1,858,662	1,600,030	1,571,187
Street & Sidewalk Transfer	1,152,300	952,300	952,300	952,300
Planning & Development	1,509,865	1,745,332	1,880,568	1,839,264
Transit Fund Transfer	1,046,596	1,275,565	1,566,197	872,831
Civic Center Operating Subsidy	413,340	431,198	397,989	391,315
Golf Fund Subsidy	0	0	75,701	0
Festivals Fund Subsidy	0	253,922	162,675	184,726
Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
Health Care (Employee Contr.)	**	2,740,926	2,800,000	2,740,926
Housing Trust Fund Transfer	600,000	600,000	600,000	300,000
Total Appropriations	81,735,181	90,964,262	89,259,246	92,688,293

** Accounted for in the Finance Department prior to FY 2007-08.

GENERAL FUND EXPENDITURES

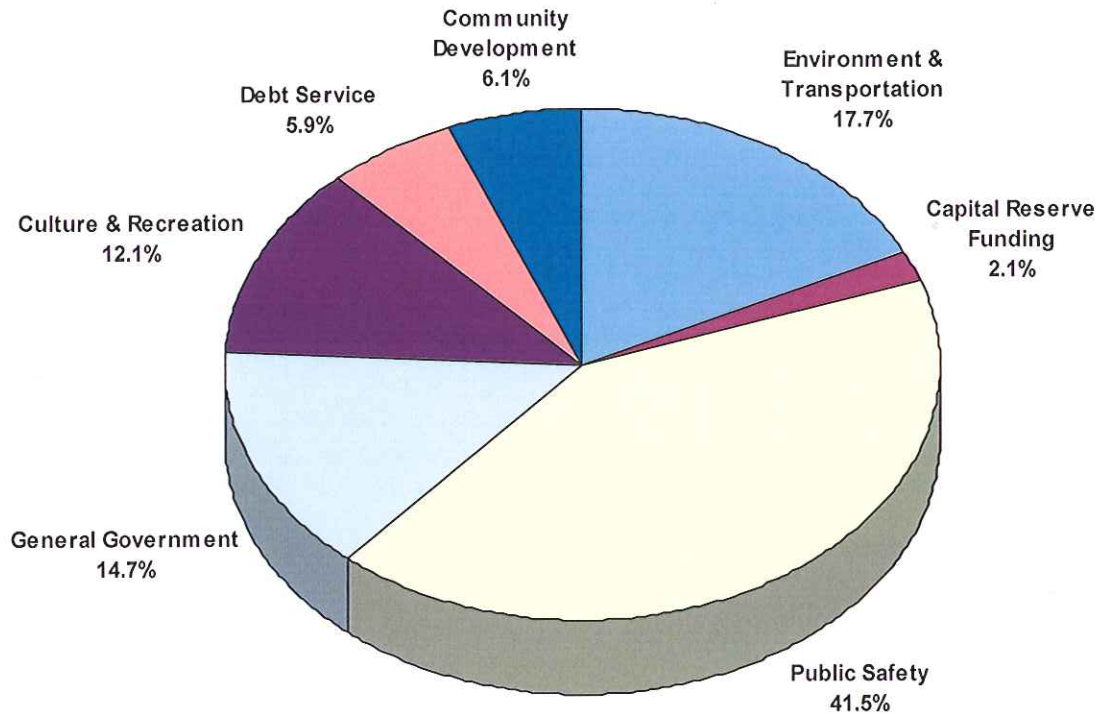
<u>Service Areas</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Public Safety	31,016,726	35,596,708	36,725,823	38,432,648
Environment & Transportation	14,255,712	15,652,958	16,280,788	16,401,773
General Government	12,329,032	12,641,041	13,060,610	13,588,191
Culture & Recreation	9,067,464	9,643,765	10,550,953	11,242,624
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Community Development	<u>4,370,771</u>	<u>5,354,452</u>	<u>5,402,750</u>	<u>5,608,135</u>
Total General Fund	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

BUDGET HIGHLIGHTS

- The FY 2009-10 budget includes general fund expenditures that are 3.8% more than the FY 2008-09 budget.
- Public Safety is the largest general fund service area, accounting for 41% of all general fund expenditures. Expenditures in this service area show a 4.6% increase in FY 2009-10. As with other service areas in the general fund that are personnel-intensive, a portion of this increase is due to higher employee health costs. The adopted budget also includes the addition of four positions in the Fire and Rescue Department for the expansion of the Asheville Suburban Fire District in the Haw Creek area. The budget also includes three new firefighters and two police officer positions to provide service to the Ridgefield and Airport Road annexation areas. The Fire and Rescue Department operating budget also includes \$100,000 in additional costs to pay the annexation contracts associated with these two annexations. The Police operating budget includes a \$54,000 increase in the City's payment to the county for its share of the Criminal Justice Information System (CJIS). The Fire and Rescue Department operating costs include an additional \$55,000 for the Code Red system contract, and a \$39,000 increase in the cost of the contract with Buncombe County for 911 service.
- Environment & Transportation is the second largest service area in the general fund, representing 18% of the FY 2009-10 general fund budget. The budget for this service area shows a 0.7% increase. The \$693,000 decrease in the general fund subsidy to the transit services fund is the primary budgetary change that is impacting this service area. The Public Works Department budget shows a 6.9% increase and includes \$100,000 to enhance the downtown cleanliness program. The Public Works budget also includes a \$175,000 increase in the streetlighting budget due to higher electricity costs and a \$208,000 increase in the recycling budget due to higher contract costs.
- The Culture & Recreation budget shows a 6.7% increase. Included in the Parks and Recreation budget is \$300,000 to fund a contract for maintenance of the new Pack Square Park. The City will receive \$150,000 in revenue from Buncombe County to assist with this new cost. The Parks and Recreation budget also shows a \$130,000 increase due to higher electricity costs for City Hall and other facilities.
- Expenditures in the General Government service area show a 4.0% increase. This is partly due to the inclusion of approximately \$150,000 in the Information Technology Services Departmental budget to fund the transition period from H.T.E. to MUNIS when the City is required to pay the maintenance agreements for both systems. The budget also includes \$160,000 to fund the costs of the upcoming fall 2009 City Council elections.

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$92,688,293

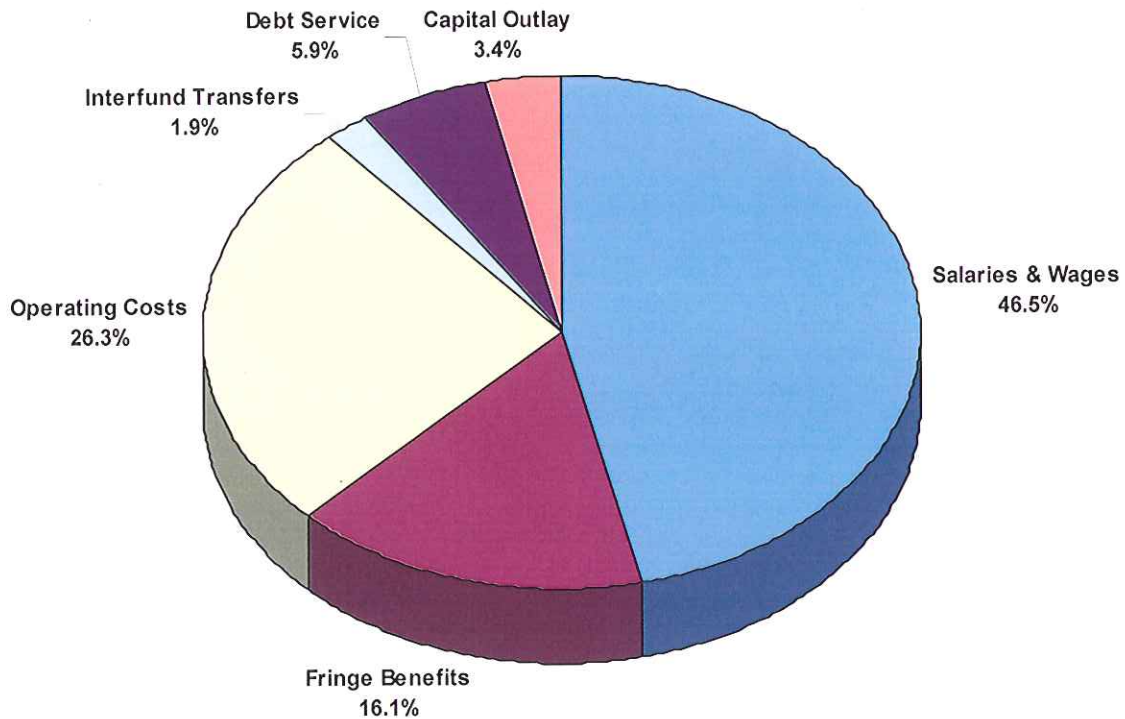


Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Public Safety	36,725,823	38,432,648	1,706,825	4.65%
Environment & Transportation	16,280,788	16,401,773	120,985	0.74%
General Government	13,060,610	13,588,191	527,581	4.04%
Culture & Recreation	10,550,953	11,242,624	691,671	6.56%
Capital Reserve Funding	1,528,500	1,985,000	456,500	29.87%
Debt Service	5,709,822	5,429,922	(279,900)	-4.90%
Community Development	5,402,750	5,608,135	205,385	3.80%
Total General Fund Expenditures	89,259,246	92,688,293	3,429,047	3.84%

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$92,688,293



Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	2008-09	2009-10	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	42,242,338	43,123,462	881,124	2.09%
Fringe Benefits	13,734,183	14,880,912	1,146,729	8.35%
Operating Costs	21,899,165	24,363,175	2,464,010	11.25%
Interfund Transfers	2,802,562	1,748,872	(1,053,690)	-37.60%
Debt Service	5,709,822	5,429,922	(279,900)	-4.90%
Capital Outlay	2,871,176	3,141,950	270,774	9.43%
Total General Fund Expenditures	89,259,246	92,688,293	3,429,047	3.84%

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Salaries & Wages	36,318,446	39,954,340	42,242,338	43,123,462
Fringe Benefits	10,922,417	12,829,705	13,734,183	14,880,912
Operating Costs	19,258,152	21,905,176	21,899,165	24,363,175
Interfund Transfers	2,059,936	2,560,685	2,802,562	1,748,872
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Capital Outlay	<u>7,655,041</u>	<u>8,875,564</u>	<u>2,871,176</u>	<u>3,141,950</u>
TOTAL	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits constitute 63% of the FY 2009-10 general fund budget. The personnel budget includes no new funding for merit or market-based pay increases for City employees. The general fund personnel budget also reflects a net overall reduction of 4.88 FTE positions. Despite these reductions, the salary budget shows a slight 2.1% increase primarily due to the carryover impact of merit increases awarded in FY 2008-09 for a partial year (based on employee anniversary dates) for which the full cost impact will take place in FY 2009-10. The personnel budget also includes a 15% increase in the City's contribution toward employee health care expenses. For the general fund, this increase totaled approximately \$870,000.
- The budget for operating costs shows a \$2.5 million or 11.3% increase in FY 2009-10. A number of unavoidable cost increases impacted the FY 2009-10 adopted budget include the following: 1) the addition of \$300,000 in new contract expenses for the operation of Pack Square Park; 2) a \$375,000 increase in electricity and streetlighting costs; 3) the inclusion of the \$450,000 economic development/annexation payment to the Biltmore Town Center; 4) the addition of \$160,000 to pay for the fall 2009 City Council elections; 5) \$150,000 in expenses associated with the transition expenses associated with the BTIP project; 6) a \$100,000 increase in fire district annexation contracts; and 6) a \$107,000 increase in the cost of joint City/County programs, such as CJIS and the Police ID Bureau.
- General fund debt service shows a net decrease of approximately \$280,000. This decrease is the result of the City paying off an equipment financing debt issuance from 2004 in the current fiscal year and a \$100,000 decrease in the City's general obligation bond debt amount. The adopted budget does include the issuance of approximately \$2.0 million in new debt in FY 2009-10 to fund two annexation related sewer projects, replacement of one auto loader refuse truck, replacement of the irrigation system at the Municipal Golf Course, and improvements to the Walton Street pool.
- \$3.1 million is budgeted for the direct purchase of capital in FY 2009-10, which represents a 9.4% increase over the current year. However, capital funding remains well below the funding levels that were achieved in the two prior budget years.
- Interfund transfers are budgeted to decrease by over \$1.0 million in FY 2009-10. Increased federal funding for transit allowed the City to reduce the general fund subsidy to the transit fund by \$693,000. Staff was also able to eliminate the \$75,000 general subsidy to the golf fund by reorganizing and streamlining operations at the golf course. Finally, due to budget constraints in FY 2009-10, the general fund subsidy to the housing trust fund is reduced by \$300,000.

GENERAL FUND EXPENDITURES

<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Police</u>				
Patrol Bureau	9,578,763	11,018,015	11,456,006	11,617,772
Support Bureau	2,701,427	3,151,558	3,637,462	3,784,958
Criminal Investigation	2,278,281	2,525,091	2,654,261	2,728,475
Administration	1,693,418	1,874,597	1,987,905	1,918,851
Subtotal Police	16,251,889	18,569,261	19,735,634	20,050,056
<u>Fire & Rescue</u>				
Emergency Response	11,690,391	13,587,036	13,784,740	14,846,288
Accountability/Administration	1,871,825	1,964,681	1,968,202	2,232,734
Fire Marshal's Office	888,408	874,588	860,618	912,482
Subtotal Fire	14,450,624	16,426,305	16,613,560	17,991,504
<u>Public Works</u>				
Sanitation	3,027,586	3,337,415	3,688,037	4,127,200
Street Maintenance	2,796,689	3,341,155	3,472,925	3,452,021
Street Lighting	1,502,062	1,564,128	1,613,913	1,788,172
Administration	1,009,492	1,076,412	1,126,203	1,132,989
Recycling	670,179	666,137	756,529	965,376
Fleet Management	956,471	1,222,441	1,241,615	1,262,394
Signs & Markings	239,675	258,743	263,039	277,303
Subtotal Public Works	10,202,154	11,466,431	12,162,261	13,005,455
<u>Parks, Recreation, & Cultural Arts</u>				
Recreation Programs	2,214,588	2,274,786	2,348,534	2,521,718
Park Maintenance	2,200,689	2,342,008	2,243,647	2,564,681
Administration	677,540	868,250	335,941	356,785
After School Program	250,339	294,270	306,022	294,547
Athletics	666,587	697,167	659,385	645,745
Building Maintenance	503,316	519,446	566,655	656,425
Cultural Arts	201,465	128,867	378,414	377,309
Nature Center	857,538	964,068	1,073,242	1,118,559
McCormick Field	195,382	175,988	209,501	228,397
Recreation Park	88,396	81,770	-	-
Aston Park	210,598	223,737	233,353	254,698
Planning	-	-	188,547	191,025
Specialized Facilities	-	-	167,187	80,077
City Hall Operations	84,931	174,167	186,292	234,819
Business Services	-	-	440,459	626,088
Swimming Pools	-	-	246,828	255,076
Food Lion Skate Park	-	-	97,722	109,154
Riverside Cemetery	186,460	199,746	215,359	146,480
Subtotal Parks & Recreation	8,337,829	8,944,270	9,897,088	10,661,583
<u>Building Safety</u>	2,084,331	2,795,629	2,595,832	2,756,621

GENERAL FUND EXPENDITURES

<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Finance</u>				
Accounting	1,210,278	1,315,166	1,252,193	1,422,369
Administration	328,214	266,965	368,801	358,869
Purchasing	246,480	285,665	372,518	346,326
Group Health	3,884,361	-	-	-
Workers Compensation	(392,242)	-	-	-
Insurance & Bonds	(28,680)	-	-	-
Budget & Research	124,209	199,391	220,385	223,036
Risk Management Admin.	237,109	262,338	272,473	250,500
Print Shop	20,158	-	-	-
Police Separation Allowance	(23,774)	-	-	-
Police/Fire Disability	(29,767)	-	-	-
Central Stores	141,294	141,317	156,027	158,315
Subtotal Finance	5,717,640	2,470,842	2,642,397	2,759,415
<u>General Administration</u>				
City Manager	580,311	577,531	582,221	598,470
Community Oriented Government	461,567	447,488	475,561	506,141
Governing Body	171,575	187,907	193,748	189,455
Economic Development	477,384	651,871	539,616	519,991
City Clerk	89,565	112,441	95,366	109,981
Subtotal General Admin.	1,780,402	1,977,238	1,886,512	1,924,038
<u>Planning & Development</u>				
Planning Services	1,417,836	1,614,507	1,657,273	1,604,503
City Development	11,725	-	-	-
Historic Resources	80,304	89,045	142,540	150,748
Homeless Program	-	41,780	80,755	84,013
Subtotal Planning & Dev.	1,509,865	1,745,332	1,880,568	1,839,264
<u>Transportation & Engineering</u>				
City Engineering	1,034,883	1,134,711	875,046	869,171
Transportation Services	264,445	229,647	273,636	250,183
Traffic Signal Maintenance	259,442	190,279	238,461	222,143
Transportation Planning	255,892	304,025	209,312	146,858
Transportation Demand Management	-	-	3,575	82,832
Subtotal Engineering	1,814,662	1,858,662	1,600,030	1,571,187
<u>Legal Services</u>	502,051	576,739	624,864	597,602

GENERAL FUND EXPENDITURES

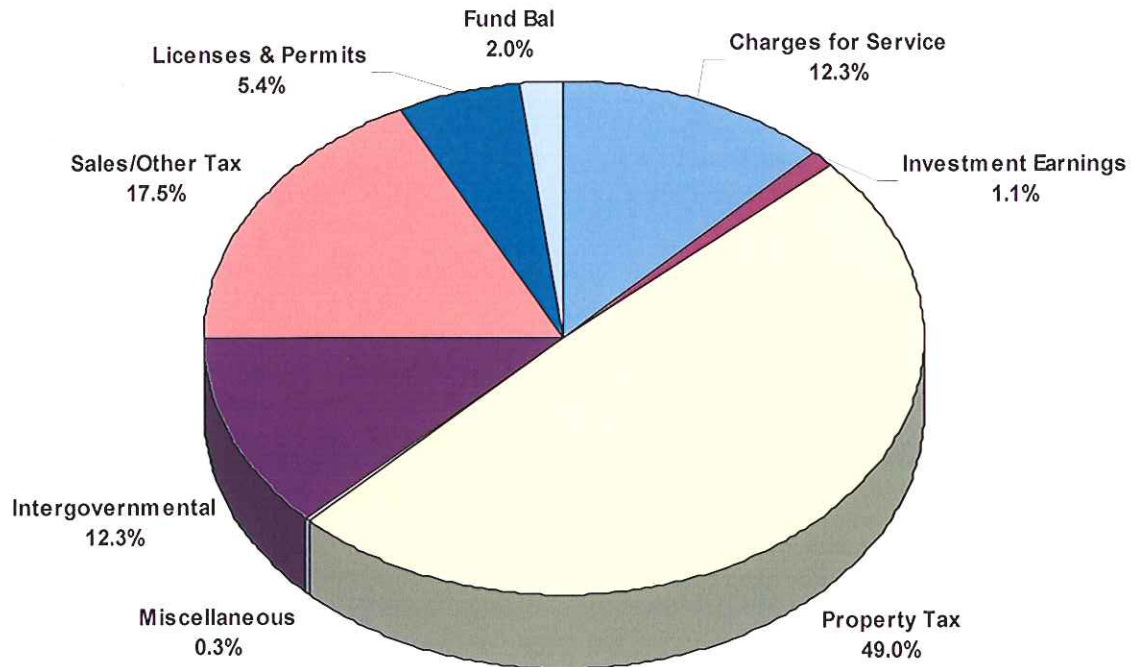
<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Human Resources</u>				
Administration	511,006	933,609	1,052,553	1,080,310
City Employment	79,882	141	-	-
Organizational Development	221,393	154,962	237,380	230,764
Health Services	216,549	232,860	255,129	276,823
Subtotal Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
<u>Information Technology Services</u>				
Administration	-	-	222,986	184,802
Technical Services	-	-	1,081,332	1,150,676
GIS & Application Services	-	-	379,356	637,281
IT Support Services	1,788,627	2,272,813	618,508	664,299
Subtotal Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
<u>Other Appropriations</u>				
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Nondepartmental	2,358,565	2,209,919	1,980,072	2,449,593
Street & Sidewalk Fund Transfer	1,152,300	952,300	952,300	952,300
Transit Services Fund Transfer	1,046,596	1,275,565	1,566,197	872,831
Golf Fund Transfer	-	-	75,701	-
Festivals Fund Transfer	-	253,922	162,675	184,726
Civic Center Fund Transfer	413,340	431,198	397,989	391,315
Housing Trust Fund Transfer	600,000	600,000	600,000	300,000
Health Care (Employee Contr.)	-	2,740,926	2,800,000	2,740,926
Subtotal Other	16,266,277	20,539,168	15,773,256	15,306,613
TOTAL APPROPRIATIONS	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

GENERAL FUND REVENUES

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Taxes</u>				
Property Tax - Current Year	38,632,281	39,587,510	40,830,130	42,781,503
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Motor Vehicle Taxes	2,286,398	2,172,180	2,232,045	2,232,045
Property Tax - Prior Years	346,489	377,859	375,000	400,000
Other Taxes	320,916	313,987	330,000	330,000
Total Taxes	58,985,248	58,999,961	61,359,342	61,623,821
<u>Licenses & Permits</u>				
Building Safety Fees	2,643,955	2,793,355	2,633,550	2,648,900
Cable Franchise Fees	803,967	135,268	150,000	140,000
Local Utility Franchise Tax	501,431	544,229	560,000	543,000
Business Privilege Licenses	1,040,814	1,107,849	1,100,000	1,105,199
Motor Vehicle Licenses	618,181	322,809	337,000	342,000
Other	269,441	283,493	245,730	219,950
Total Licenses/Permits	5,877,789	5,187,003	5,026,280	4,999,049
<u>Intergovernmental</u>				
State Utility Taxes	5,372,491	6,412,238	6,242,537	7,151,506
Powell Bill	2,282,069	2,607,730	2,659,885	2,160,189
ABC Revenue	1,006,913	895,909	950,000	900,000
State Beer & Wine Taxes	330,717	349,847	335,000	360,000
Other	449,661	668,339	679,745	821,436
Total Intergovernmental	9,441,851	10,934,063	10,867,167	11,393,131
<u>Charges For Service</u>				
Internal Charges	2,571,356	2,387,859	2,415,865	2,676,753
Employee Insurance Contrib.	2,597,801	2,740,926	2,800,000	2,740,926
Parks & Recreation Fees	1,315,493	1,410,650	1,370,000	1,572,507
Recycling Charges	825,459	417,224	411,346	965,376
Fire Protection & Inspections	978,346	1,433,212	1,544,562	1,605,000
Outside Vehicle Repairs & Fuel	879,052	1,140,749	1,238,375	1,258,594
Other	608,085	788,796	692,046	620,679
Total Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
<u>Other</u>				
Miscellaneous	594,084	740,492	304,000	320,093
Investment Earnings	1,660,801	1,543,080	1,014,000	1,014,000
<u>App. Fund Balance</u>	-	-	216,263	1,898,364
Total Revenues	<u>86,335,365</u>	<u>87,724,015</u>	<u>89,259,246</u>	<u>92,688,293</u>

GENERAL FUND REVENUES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND REVENUES BY SOURCE TOTAL \$92,688,293

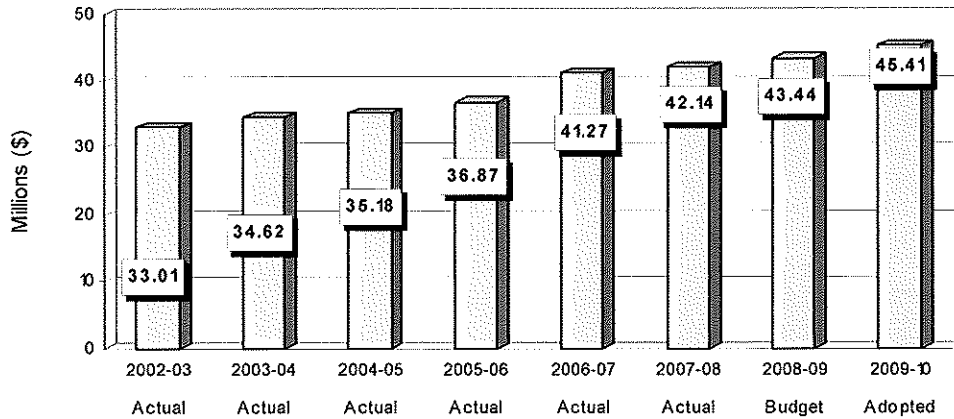


Budget-to-Budget Revenue Comparison

<u>Revenue Sources:</u>	2008-09	2009-10	<i>Change From Prior Year</i>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Property Tax	43,437,175	45,413,548	1,976,373	4.5%
Intergovernmental	10,867,167	11,393,131	525,964	4.8%
Sales Taxes	17,592,167	15,880,273	(1,711,894)	-9.7%
Other Taxes	330,000	330,000	0	0.0%
Charges For Service	10,472,194	11,439,835	967,641	9.2%
Licenses & Permits	5,026,280	4,999,049	(27,231)	-0.5%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous	304,000	320,093	16,093	5.3%
App. Fund Bal.	216,263	1,898,364	1,682,101	--%
Total General Fund Revenue	89,259,246	92,688,293	3,429,047	3.8%

GENERAL FUND REVENUES

PROPERTY TAXES



	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Property Taxes				
Current Year	38,632,281	39,587,510	40,830,130	42,781,503
Registered Motor Vehicles	2,286,398	2,172,180	2,232,045	2,232,045
Prior Years	346,489	377,859	375,000	400,000
Total Property Taxes	41,265,168	42,137,549	43,437,175	45,413,548

Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 49% of the City's total FY 2009-10 general fund revenue. The property tax is levied each year on the value of real, certain personal, and public service property that is listed as of January 1 of that year. Real property, which consists of residential, commercial, and industrial properties, is revalued every four years, while personal and utility values are adjusted annually. Real property makes up approximately 80% of the City's total tax base. The most recent revaluation was completed in 2005, and the new values become effective in FY 2006-07. The current tax rate is 42 cents per \$100 of assessed valuation, and staff is recommending no change in the rate for FY 2009-10.

Over the last ten years, the property tax base has grown by an average of 3.3% per year. Based on

data from the County Tax Assessor, the FY 2008-09 tax base grew by 4.2%. As a result of this higher than normal growth, property tax revenue in FY 2008-09 will likely exceed budget by \$150,000.

Based on estimates from the Buncombe County Tax Assessor, staff has budgeted 4.5% growth in property taxes for FY 2009-10. Approximately half of this growth is attributable to natural increases in the tax base from new construction. The rest of the growth in the tax base is the result of the Ridgefield, Airport Road, and Biltmore Town Center annexations, which combined will generate approximately \$980,000 in property tax revenue. It should be noted that under the annexation/economic development agreement with the Biltmore Town Center, the City will refund all property tax revenue collected from this development in FY 2009-10.

GENERAL FUND REVENUES

ASSESSED VALUATION HISTORY

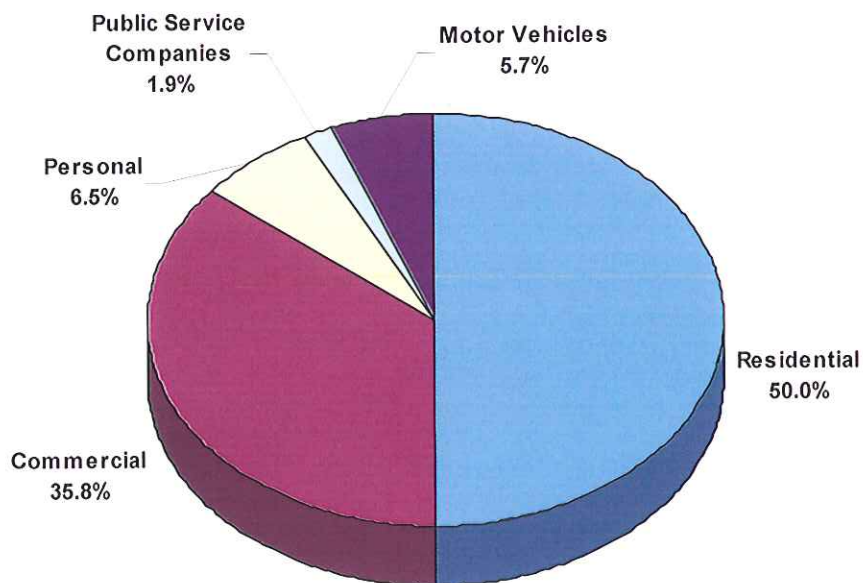
Major Property Categories

(\$ in thousands)

	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07**	FY 2007-08
Residential	\$3,083,292	\$3,169,846	\$3,284,605	\$4,867,777	\$5,007,378
Percent Change	4.9%	2.8%	3.6%	48.2%	2.9%
Commercial	\$2,197,518	\$2,280,227	\$2,309,749	\$3,598,231	\$3,589,744
Percent Change	2.0%	3.8%	1.3%	55.8%	-0.2%
Personal	\$565,156	\$580,056	\$597,418	\$613,292	\$654,581
Percent Change	-2.6%	2.6%	3.0%	2.7%	6.7%
Public Service Companies	\$158,730	\$162,514	\$165,360	\$189,426	\$190,305
Percent Change	0.4%	2.4%	1.8%	14.6%	0.5%
Motor Vehicles	\$531,994	\$486,374	\$509,456	\$549,169	\$572,808
Percent Change	7.2%	-8.6%	4.7%	7.8%	4.3%
TOTAL TAX BASE	\$6,536,690	\$6,679,017	\$6,866,588	\$9,817,895	\$10,014,816
Percent Change	3.3%	2.2%	2.8%	43.0%	2.0%

**Revaluation year.

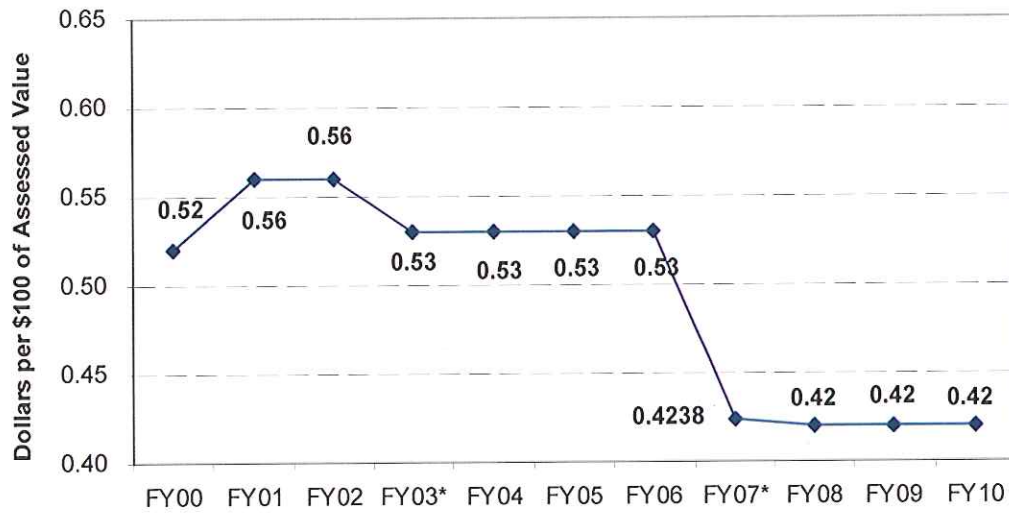
City of Asheville FY 2007-08 Tax Base



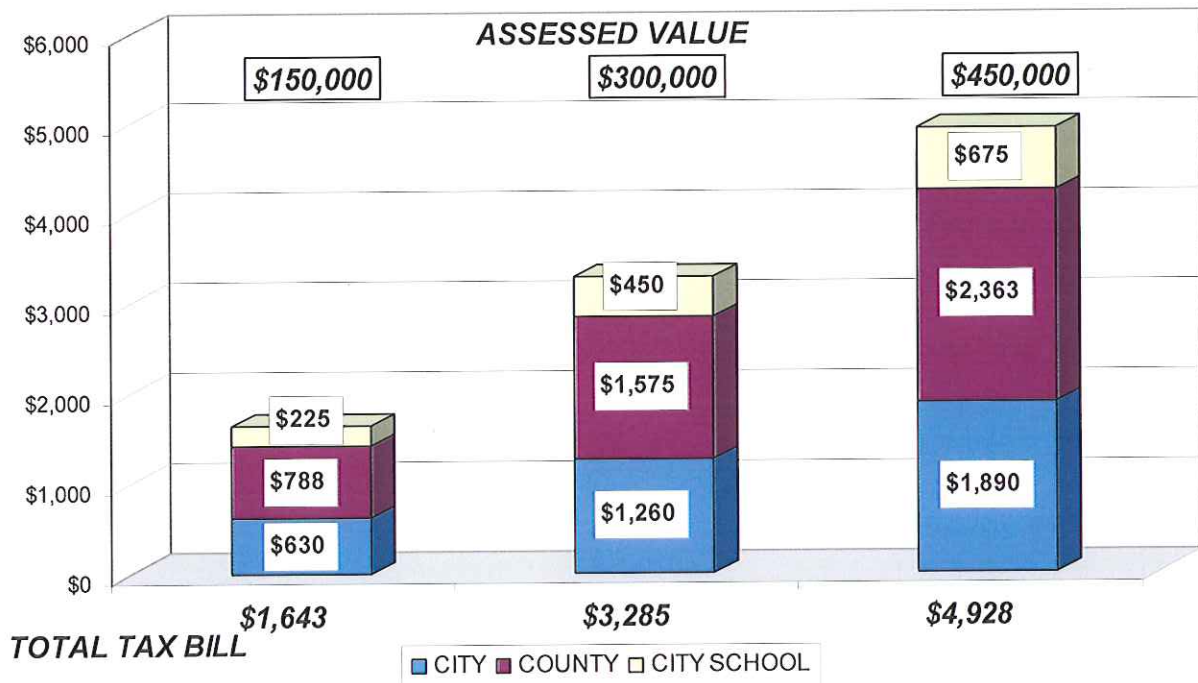
Total Tax Base: \$10,014,816,000

GENERAL FUND REVENUES

City of Asheville Tax Rate History



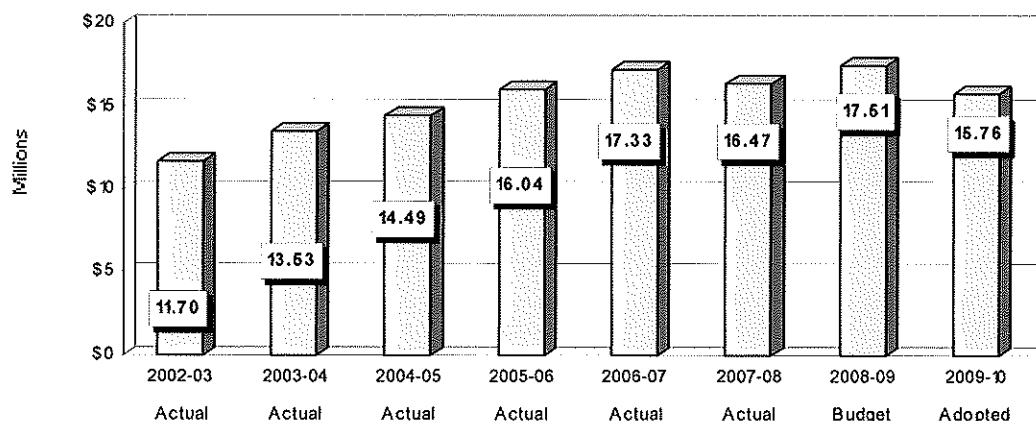
FY 2009-10 Sample Tax Bill



Note: City tax rate: 42 cents per \$100 of assessed valuation
 County tax rate: 52.5 cents per \$100 of assessed valuation
 City School tax rate: 15 cents per \$100 of assessed valuation. Approximately 65% of City of Asheville residents pay the City School tax.

GENERAL FUND REVENUES

LOCAL OPTION SALES TAX



<u>Sales Tax Components</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
One Cent	8,096,194	7,640,778	8,690,410	7,376,148
Half Cent (83)	3,170,234	2,932,193	2,953,178	2,750,545
Half Cent (86)	3,049,729	2,894,224	2,748,680	2,813,241
Half Cent (01)	<u>3,009,987</u>	<u>3,006,334</u>	<u>3,120,940</u>	<u>2,823,380</u>
Total Sales Tax	17,326,144	16,473,529	17,513,208	15,763,314
Percent Change	7.57%	-4.92%	6.31%	-9.99%

Trends & Assumptions

Local option sales tax revenue is collected by the State of North Carolina and distributed back to counties and municipalities on a monthly basis.

Net proceeds from the one-cent sales tax are returned to the county in which the tax was collected. Under this point of delivery distribution method, the City's revenue from the one-cent sales tax is dependent on retail sales activity in Buncombe County. Proceeds from the 83 and 86 half-cent sales taxes are placed in a statewide pool and allocated among all one hundred counties on a per capita basis. 83 and 86 half-cent sales tax revenue is thus dependent on retail sales activity statewide and on Buncombe County's population relative to other counties in the State.

During its 2001 session, the State Legislature gave counties the authority to levy an additional half-cent sales tax. Revenue from this new half-cent (01) sales tax replaced local government reimbursement payments that were discontinued by the state. Under the 2007 legislation in which the state assumed county Medicaid costs, the (01) sales tax for local governments will be fully

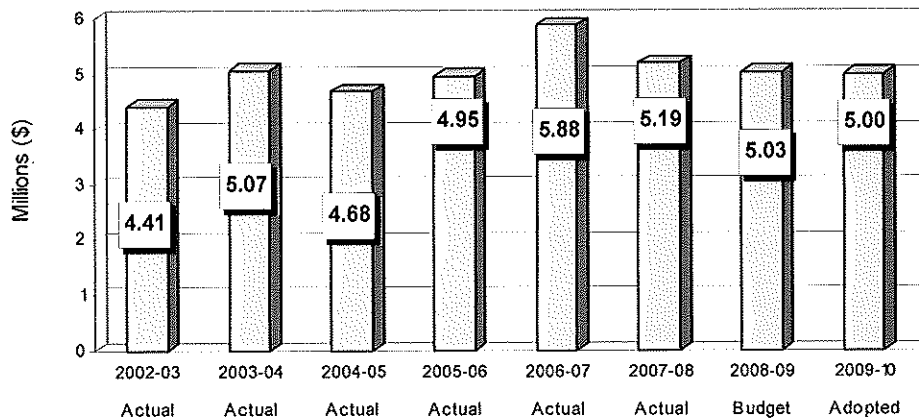
eliminated in October 2009 and replaced with a hold harmless payment from the state.

Buncombe County's sales tax revenue is divided between the county and the local municipalities based on each entity's share of the total county ad valorem tax levy. Based on this distribution formula, the City currently receives 19.47% of the sales tax revenue distributed to Buncombe County. The state recalculates this percentage each year to account for tax rate changes, annexations, revaluation, and natural growth in the tax base.

Because of the severe economic recession, the City has seen its sales tax revenue declined by 6.0% during the first eight months of FY 2008-09 compared to that same time period in FY 2007-08. Based on forecasts from the North Carolina League of Municipalities, staff has projected that this trend will continue for the remainder of FY 2008-09 and that sales tax revenue will show no growth in FY 2009-10. As a result, the sales tax budget for FY 2009-10 shows a decline of \$1.7 million compared to the FY 2008-09 budget.

GENERAL FUND REVENUES

LICENSES & PERMITS



	2006-07	2007-08	2008-09	2009-10
<u>Licenses & Permits</u>	Actual	Actual	Budget	Adopted
Building Safety Fees	2,643,955	2,793,355	2,633,550	2,648,900
Cable Franchise Fees	803,967	135,268	150,000	140,000
Local Utility Franchise Tax	501,431	544,229	560,000	543,000
Business Privilege Licenses	1,040,814	1,107,849	1,100,000	1,105,199
Motor Vehicle Licenses	618,181	322,809	337,000	342,000
Other	<u>269,441</u>	<u>283,493</u>	<u>245,730</u>	<u>219,950</u>
Total Licenses & Permits	5,877,789	5,187,003	5,026,280	4,999,049
Percent Change	18.78%	-11.75%	-3.10%	-0.54%

Trends & Assumptions

License & permit fees are generally used to offset the cost of regulating certain activities within the City. Some license and permit rates are set by the state, while others are set by City Council. Revenue from licenses & permits is influenced by local population growth, economic conditions, trends in development and re-development activity, and Council-approved fee changes.

Building Safety Fees: After substantial growth in FY 2006-07 and FY 2007-08, revenue growth in building safety fees has slowed due to the recession. The FY 2009-10 budget assumes no growth in this revenue source.

Cable Franchise Fees & Local Utility Franchise Tax: The State of North Carolina under the Video Services Bill now collects most of what used to be considered local cable franchise revenue and shares it with municipalities as a part of the state utility taxes. However, the City still receives some revenue for parts of our franchise agreement not covered under the state law. Revenue from the local utility franchise tax on electricity and gas is

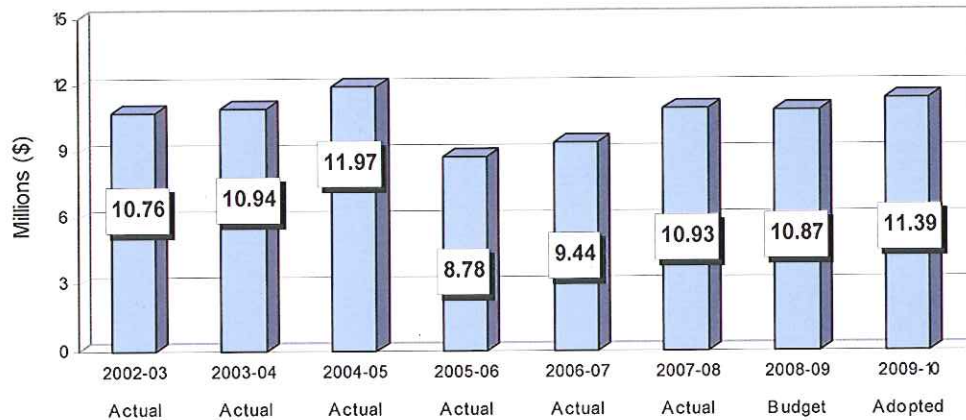
expected to remain flat compared to prior year collections.

Business Privilege Licenses: The City levies a privilege license fee on certain businesses operating within the City of Asheville. Based on prior year collections, only a slight increase is budgeted for FY 2009-10.

Motor Vehicle Licenses: The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. In prior years, all of this money was collected in the general fund and half of the revenue was transferred to the Transit Services Fund to support the operational and capital needs of the City's transit system. Beginning in 2007-08, this revenue was split with half going into each fund. This revenue is expected to remain essentially flat in FY 2009-10.

GENERAL FUND REVENUES

INTERGOVERNMENTAL REVENUE



	2006-07	2007-08	2008-09	2009-10
<u>Intergovernmental</u>	Actual	Actual	Budget	Adopted
State Utility Taxes	5,372,491	6,412,238	6,242,537	7,151,506
Powell Bill	2,282,069	2,607,730	2,659,885	2,160,189
ABC Revenue	1,006,913	895,909	950,000	900,000
State Beer & Wine Tax	330,717	349,847	335,000	360,000
Other	449,661	668,339	679,745	821,436
Total Unrestricted Intergov.	9,441,851	10,934,063	10,867,167	11,393,131
Percent Change	7.53%	15.80%	-0.61%	4.84%

Trends & Assumptions

Intergovernmental revenue includes grants, shared revenues, and reimbursements received by the City of Asheville from other governmental units.

State Utility Taxes: The state levies the following utility taxes: a franchise tax on electricity, a sales tax on telecommunications and video services, and an excise tax on piped natural gas. The state then shares a portion of these revenues with municipalities based on sales and consumption within each city.

City staff completed an audit of address data maintained by Progress Energy Company in the current fiscal year and discovered a number of premises that were in the City but coded as out of the City by Progress. This audit resulted in a one-time back payment of \$300,000 and an ongoing annual gain of \$100,000 in the City's electricity franchise tax revenue. In addition, the state increased the tax rate on telecommunications, satellite, and cable service providers in April 2008. Based on these two factors and growth estimates provided by the North Carolina League of Municipalities, staff has budgeted a 14% increase in this revenue in FY 2009-10.

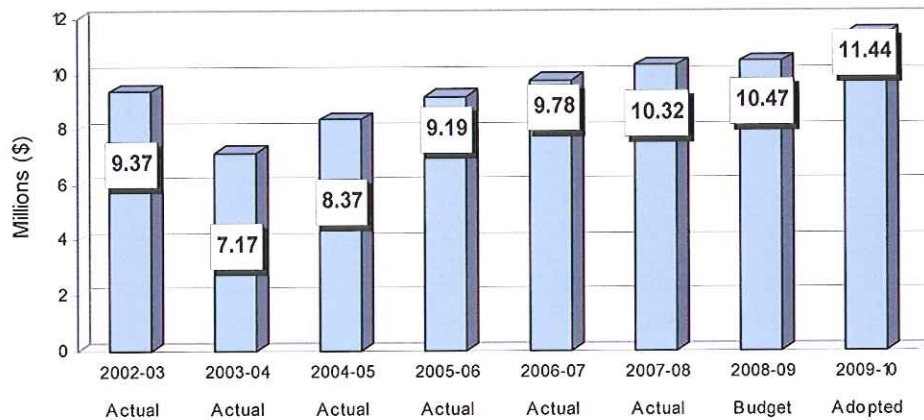
ABC Revenue: A portion of net profits from Alcoholic Beverage Control sales in the City of Asheville are divided between the City and Buncombe County. Based on prior year collections, staff has budgeted a 5% decrease in this revenue.

State Beer & Wine Tax: The state shares a portion of the proceeds from beer and wine tax receipts with all local governments in which beer and wine is legally sold. The distribution is based on population. This revenue is expected to increase slightly in FY 2009-10.

Powell Bill: North Carolina municipalities receive a portion of the proceeds from the state gasoline tax and the Highway Trust Fund. The money is distributed to municipalities based on 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets. The current recession has caused a slowdown in automobile sales and decreased demand for gasoline, as a result, the League of Municipalities is forecasting an 11% decline in this revenue in FY 2009-10.

GENERAL FUND REVENUES

CHARGES FOR SERVICE



<u>Charges For Service</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Charges to Other Funds	2,571,356	2,387,859	2,415,865	2,686,753
Employee Insurance Contributions	2,597,801	2,740,926	2,800,000	2,740,926
Parks & Recreation Fees	1,315,493	1,410,650	1,370,000	1,572,507
Recycling Charges	825,459	417,224	411,346	965,376
Fire Protection & Inspections	978,346	1,433,212	1,544,562	1,605,000
Outside Vehicle Repairs & Fuel	879,052	1,140,749	1,238,375	1,258,594
Other	608,085	788,796	692,046	537,436
Total Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
Percent Change	6.35%	5.56%	1.48%	9.24%

Trends & Assumptions

Charges for services are revenues derived from charges for the use of specific general fund services, such as Parks & Recreation programs and curbside recycling. By Council policy, many of these services are partially or fully funded through user charges.

Charges to Other Funds: Charges to other funds are transfers to the general fund from other City funds. The transfer amounts are designed to cover the cost of services provided by general fund departments in support of these enterprise fund operations. This revenue shows a 10% increase in FY 2009-10 as a result of an additional charge, assessed the enterprise funds for their share of the general fund debt service costs incurred with the BTIP project.

Employee Insurance Contributions: City employees are charged differing rates based on the type of health insurance coverage they select. This revenue is expected to remain flat in FY 2009-10.

Parks & Recreation Fees: In April, City Council approved increases in several Parks & Recreation fees as a part of the FY 2009-10 fee package. Among these increases was a \$1 increase in admission fees at the Nature Center, which is expected to produce an additional \$127,000 in revenue.

Recycling Charges: City Council approved increasing the fee for household recycling to 100% cost recovery. This increase will produce approximately \$554,000 in additional revenue.

GENERAL FUND REVENUES

Fire Protection & Inspections: The City's Fire and Rescue Department has historically provided fire protection services to the Biltmore Estate and the town of Biltmore Forest. The charge for this service is based on the assessed value of the property being served. Beginning July 1, the City will also begin providing service to a portion of the Haw Creek suburban fire district, which will generate an additional \$97,000 in fire district tax revenue. In addition, the Fire and Rescue Department provides inspection services and charges a fee for this service. Staff has budgeted a slight decrease in inspection revenue in FY 2009-10. The net impact of the additional fire

protection revenue and the slight decrease in inspection revenue is an overall increase of approximately \$60,000 in Fire and Rescue Department revenue.

Outside Vehicle Repairs & Fuel: The City's Fleet Maintenance Division provides fuel and limited repair services to certain governmental units and non-profit agencies, including Mission/St. Joseph's Hospital and the Metropolitan Sewerage District. With fuel prices expected to remain flat in FY 2009-10, staff budgeted only a small increase in this revenue.

ENTERPRISE FUNDS

Enterprise funds provide public services that are operated in a manner similar to private business, where expenses are primarily financed by revenues derived from user charges. The City of Asheville's annual operating budget includes the following enterprise funds:

Water Resources Fund: This fund accounts for water services provided by the City of Asheville. The utility rate structure is designed to produce sufficient revenues to cover all operating expenses including debt service and maintenance of adequate working capital.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	4,410,304	5,208,778	5,849,869	6,040,760
Fringe Benefits	1,634,334	1,965,106	2,115,495	2,363,180
Operating Costs	7,859,419	7,752,775	8,765,701	10,128,355
Debt Service	4,954,448	6,100,586	7,648,970	7,637,399
Capital Outlay	<u>11,231,052</u>	<u>9,933,222</u>	<u>10,991,074</u>	<u>6,979,935</u>
Total	30,089,557	30,960,467	35,371,109	33,149,629
FTE Positions	134.00	152.00	153.00	152.00
Revenues:				
Charges For Service	30,406,152	31,132,542	30,974,000	32,576,439
Investment Earnings	940,606	1,427,717	800,000	550,000
Appropriated Fund Balance	0	0	3,557,559	0
Miscellaneous	<u>90,745</u>	<u>67,400</u>	<u>39,550</u>	<u>23,190</u>
Total	31,437,503	32,627,659	35,371,109	33,149,629

Transit Services Fund: This fund is established to account for the provision of public transit services within the City of Asheville. The City's Engineering Department manages and administers transit operations.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	87,507	58,704	131,149	142,091
Fringe Benefits	23,723	17,619	41,050	44,601
Operating Costs	4,174,621	4,666,134	4,720,936	4,932,588
Operating Pass Through	0	73,416	502,135	540,000
Capital Outlay	<u>4,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4,289,875	4,815,873	5,395,260	5,659,280
FTE Positions	2.00	3.00	3.00	3.00
Revenues:				
Operating Revenue	658,914	870,860	796,755	911,000
Miscellaneous	943	0	0	0
Federal/State Grants	2,374,658	2,075,988	1,848,527	2,777,333
Operating Pass Through	0	0	502,125	540,000
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Transfer from Capital Fund	0	0	100,000	0
Motor Vehicle License Fee	<u>308,638</u>	<u>307,352</u>	<u>333,540</u>	<u>310,000</u>
Total	4,637,865	4,777,881	5,395,260	5,659,280

ENTERPRISE FUNDS

Parking Services Fund: This fund accounts for the parking facilities and meters owned and operated as enterprises of the City of Asheville. Operations include three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	353,966	471,383	614,840	702,566
Fringe Benefits	127,650	170,218	213,742	271,152
Operating Costs	545,772	873,481	869,779	1,013,626
Debt Service	603,519	588,590	500,000	500,000
Transfer to Transit Fund	248,116	248,116	248,116	248,116
Capital Outlay	<u>14,500</u>	<u>7,011</u>	<u>653,223</u>	<u>104,240</u>
Total	1,893,523	2,358,799	3,099,700	2,839,700
FTE Positions	17.00	19.00	19.00	19.00
Revenues:				
Garage Revenues	1,293,317	1,226,593	1,417,000	1,115,000
Parking Meters	919,411	992,344	932,000	925,000
Parking Violations	544,407	617,131	579,700	644,700
Parking Lots & Peripheral	109,639	172,231	120,000	105,000
Other	<u>60,247</u>	<u>87,355</u>	<u>51,000</u>	<u>50,000</u>
Total	2,927,021	3,095,654	3,099,700	2,839,700

Civic Center Fund: This fund accounts for the operation of the City of Asheville Civic Center, which is used for concerts, family shows, trade shows, and sporting events. This fund is supported by a general fund subsidy of \$391,315.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	809,055	819,944	910,444	916,867
Fringe Benefits	233,074	228,327	294,843	299,296
Operating Costs	930,751	967,378	1,026,992	860,952
Capital Outlay	<u>0</u>	<u>0</u>	<u>7,135</u>	<u>7,000</u>
Total	1,972,880	2,015,649	2,239,414	2,084,115
FTE Positions	17.75	17.51	17.51	17.13
Revenues:				
Food & Beverage Sales	588,432	587,776	723,580	607,300
Rent	571,361	567,305	618,595	530,750
Admissions & Other Sales	319,339	442,774	373,850	410,350
Capital Maintenance Fee	71,511	70,946	66,900	70,900
Investment Earnings	83,723	105,245	55,000	70,000
General Fund Subsidy	413,340	431,198	397,989	391,315
Other	<u>4,824</u>	<u>2,022</u>	<u>3,500</u>	<u>3,500</u>
Total	2,052,530	2,207,266	2,239,414	2,084,115

ENTERPRISE FUNDS

Festivals Fund: This fund accounts for the direct salary & operating costs associated with City-produced festivals such as Bele Chere, the Fourth of July, and the Film Festival.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	176,744	164,959	124,491	133,526
Fringe Benefits	50,227	58,406	39,420	42,849
Operating Costs	1,083,195	956,394	943,770	602,768
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,310,166	1,179,759	1,107,681	779,143
FTE Positions	5.00	4.75	4.75	4.75
Revenues:				
Sponsorships	263,298	269,179	308,266	273,917
Beverages	221,288	208,512	281,290	156,500
Vendor Fees & Booths	174,841	191,064	191,000	112,000
Souvenirs	35,325	34,421	41,000	21,300
Tickets/Events	169,791	80,588	101,000	30,000
General Fund Subsidy	0	253,922	162,675	184,726
Other	<u>22,501</u>	<u>24,923</u>	<u>22,450</u>	<u>700</u>
Total	887,044	1,062,609	1,107,681	779,143

Stormwater Utility Fund: The Stormwater Fund was a new fund in FY 2005-06. It accounts for revenues and expenditures associated with the City's expanded stormwater maintenance program, which was put in place to meet federally-mandated requirements.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	930,384	1,055,120	1,464,339	1,470,589
Fringe Benefits	343,161	369,910	467,744	504,294
Operating Costs	754,383	869,568	867,000	864,558
Debt Service	51,251	101,900	150,000	50,000
Capital Outlay	<u>189,978</u>	<u>182,822</u>	<u>355,300</u>	<u>9,777</u>
Total	2,269,157	2,579,320	3,304,383	2,899,218
FTE Positions	30.00	32.00	32.00	31.00
Revenues:				
Charges For Service	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Lease-Purchase Proceeds	6,286	264	280,000	0
Investment Earnings	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total	3,073,936	3,105,942	3,304,383	2,899,218

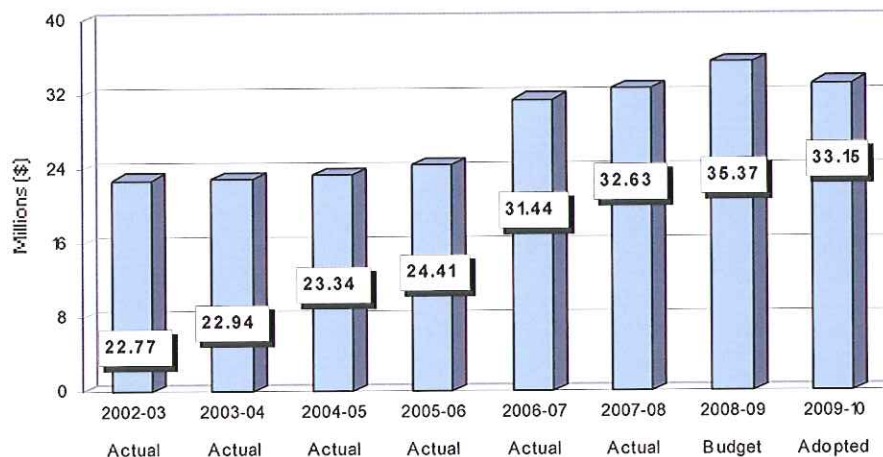
ENTERPRISE FUNDS

Golf Fund: The City took over operation of the Municipal Golf course in FY 2005-06.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	435,721	450,692	507,274	443,137
Fringe Benefits	142,898	135,875	174,127	146,423
Operating Costs	375,003	418,929	483,300	410,440
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	953,622	1,005,496	1,164,701	1,000,000
FTE Positions	14.00	14.00	14.00	11.00
Revenues:				
Pro Shop Sales	44,363	42,319	58,000	30,000
Membership Fees	164,891	191,482	206,000	180,000
Snack Bar	71,914	73,543	80,000	80,000
Equipment Rental	258,377	272,775	275,000	275,000
Green Fees	354,492	381,270	470,000	435,000
Other	<u>2,215</u>	<u>5,172</u>	<u>0</u>	<u>0</u>
Subtotal Operations	896,252	966,561	1,089,000	1,000,000
General Fund Subsidy	0	0	75,701	0
Total	896,252	966,561	1,164,701	1,000,000

ENTERPRISE FUND REVENUES

WATER RESOURCES FUND REVENUE



	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Water Resources Revenue</u>				
Utility Charges	20,221,753	21,065,198	20,943,550	22,104,000
Other Operating Revenue	4,205,673	4,275,417	4,070,000	4,405,629
Capital Maintenance Fee	6,069,461	5,859,327	6,000,000	6,090,000
Appropriated Fund Balance	--	--	3,557,559	--
Investment Earnings	<u>940,606</u>	<u>1,427,717</u>	<u>800,000</u>	<u>550,000</u>
Total Water Resources Revenue	31,437,503	32,627,659	35,371,109	33,149,629
Percent Change	28.79%	3.79%	8.41%	-6.28%

Trends & Assumptions

Water revenue is derived from fees and service charges assessed to residential and commercial customers of the regional water system. Water revenue is influenced by fee changes, population growth, water consumption patterns, local economic conditions, and weather.

Utility Charges: The FY 2009-10 budget includes a 4% increase in water rates, which will generate approximately \$1,200,000 in additional revenue.

Capital Maintenance Fee: The purpose of this fee is to provide funding for major capital improvements such as water line replacements and water treatment source improvements. It is a charge based on the size of the meter. Based on collection trends over the last two years, along

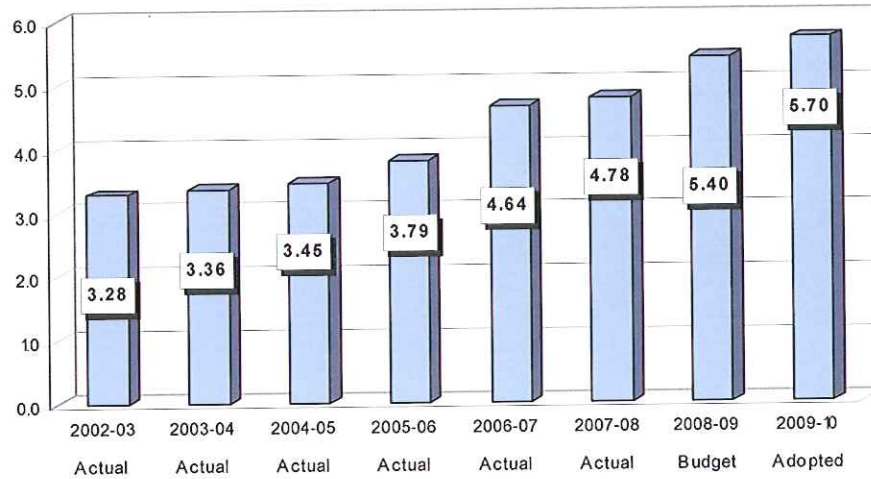
with the 4% rate increase passed by City Council, staff has budgeted a \$90,000 increase in this revenue for FY 2009-10.

Other Revenue: This category includes development fees, tap and connection fees, fire line charges, reconnection and delinquency fees and other miscellaneous revenue. A \$370,000 increase is budgeted in this revenue based on fee increases that were approved by City Council.

Investment earnings reflect earnings on cash fund balances. The budget for investment earnings is adjusted downward to reflect lower interest rates and a decrease in cash available for investment.

ENTERPRISE FUND REVENUES

TRANSIT SERVICES FUND REVENUE



	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Transit Services Revenue</u>				
Federal/State Grants	2,374,658	2,075,988	2,315,652	3,317,333
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Operating Revenue	658,914	870,860	796,755	911,000
Motor Vehicle License Fee	308,638	307,352	333,540	310,000
Miscellaneous	943	0	135,000	0
Total Transit Revenue	4,637,865	4,777,881	5,395,260	5,659,280
Percent Change	22.22%	3.02%	12.92%	4.89%

Trends & Assumptions

Transit Fund revenue is derived from three primary sources: federal & state grant funding, local tax support, and passenger charges.

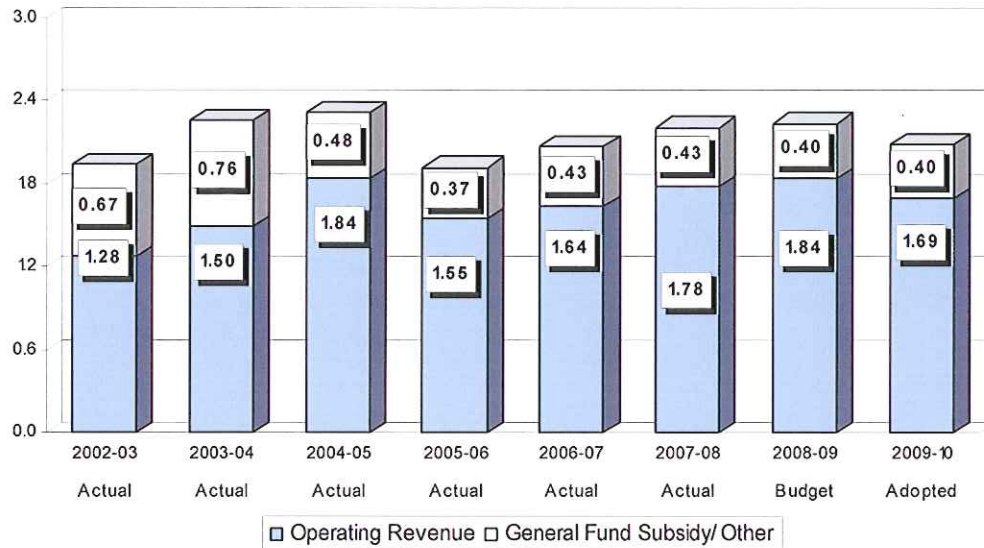
Federal & State Grants: The Transit Fund receives grant funding from the Federal Transit Administration and the North Carolina Department of Transportation. Revenue from federal and state grants represents 58% of the fund's total revenue. The City will receive additional federal funding in both FY 2008-09 and FY 2009-10. This additional funding is not shown in the FY 2008-09 budget, so actual grant revenue will exceed budget in the current year. This additional federal revenue will allow the City to reduce the actual general fund subsidy in the current year, and budget a lower subsidy in FY 2009-10. At this point, it is not certain that the City will receive this higher level of federal support beyond FY 2009-10.

City Support: This category includes both the general fund subsidy and the motor vehicle license fee. As mentioned above, the general fund subsidy to the transit services fund will be reduced in the current year. The actual subsidy in the current year is expected to be \$500,000 less than budget. For FY 2009-10, the general fund subsidy is budgeted at \$872,831. It should be noted that the general fund subsidy will likely increase substantially after FY 2009-10 as the federal funding returns to its previous lower level. Finally, the subsidy from the parking services fund is continued in FY 2009-10 at its existing level.

Operating Revenue: This category consists of passenger fares and advertising revenue. Based on current trends and increases in advertising rates, this revenue is budgeted to increase by \$115,000 in FY 2009-10.

ENTERPRISE FUND REVENUES

CIVIC CENTER FUND REVENUE



<u>Civic Center Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Food & Beverage Sales	588,432	587,776	723,580	607,300
Rent	571,361	567,305	618,595	530,750
Admissions & Other Sales	319,339	442,774	373,850	410,350
Other	<u>160,058</u>	<u>178,213</u>	<u>125,400</u>	<u>144,400</u>
Total Operating Revenue	1,639,190	1,776,068	1,841,425	1,692,800
Percent Change	6.09%	8.35%	3.68%	-8.07%
General Fund Subsidy	<u>413,340</u>	<u>431,198</u>	<u>397,989</u>	<u>391,315</u>
Total Civic Center Revenue	2,052,530	2,207,266	2,239,414	2,084,115

Trends & Assumptions

The Civic Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

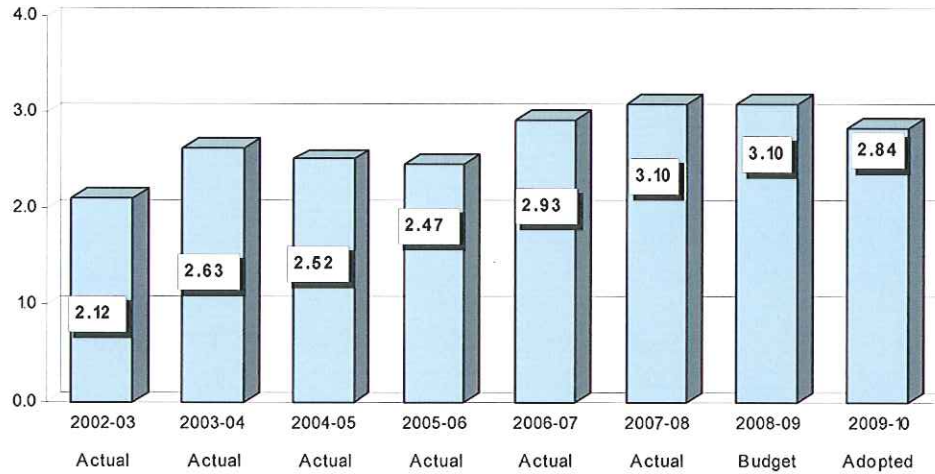
Operating Revenue: Operating revenue shows a budget-to-budget decrease of 8.1%. This decrease is primarily due to the elimination of the public skating program in FY 2009-10, which will result in a revenue reduction of \$109,000. Because expenditures associated with maintaining the ice for public skating exceeded the revenue produced by the program, there is an

overall net financial gain to the Civic Center of approximately \$50,000.

General Fund Subsidy: The strong performance in operating revenue has allowed the Civic Center to operate at a substantially lower loss over the last several fiscal years. As such, the general fund subsidy has remained in the \$400,000 range over the last five years. In the years prior to that, the operating deficit had routinely exceeded \$700,000. This trend continues with the FY 2009-10 budget, which includes a general fund subsidy of \$391,315, which is slightly below the FY 2008-09 subsidy.

ENTERPRISE FUND REVENUES

PARKING SERVICES FUND REVENUES



<u>Parking Services Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Garage Revenue	1,293,317	1,226,593	1,417,000	1,115,000
Parking Meters	919,411	992,344	932,000	925,000
Parking Violations	544,407	617,131	579,700	644,700
Parking Lots & Peripheral Parking	109,639	172,231	120,000	105,000
Other	60,247	87,355	51,000	50,000
Total Parking Services Revenue	2,927,021	3,095,654	3,099,700	2,839,700
Percent Change	18.33%	5.76%	0.13%	-8.39%

Trends & Assumptions

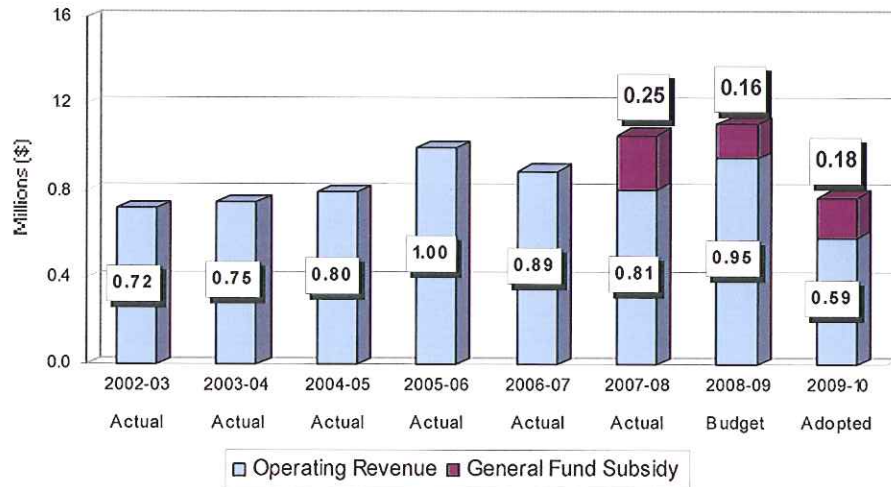
The Parking Services Fund operates three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

Garage Revenue: The current recession has slowed the growth in revenue from the parking garages. As a result, the FY 2009-10 budget for garage revenue shows a \$300,000 decrease compared to the current fiscal year.

Parking Meters & Parking Violations: Based on current collection trends, all other parking revenue budgets are maintained at essentially the same level as the current fiscal year budgets.

ENTERPRISE FUND REVENUES

FESTIVALS FUND REVENUES



<u>Festivals Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Sponsorships	263,298	269,179	308,266	273,917
Beverages	221,288	208,512	281,290	156,500
Vendor Fees & Booths	174,841	191,064	191,000	112,000
Souvenirs	35,325	34,421	41,000	21,300
Tickets/Events	169,791	80,588	101,000	30,000
Other	22,501	24,923	22,450	700
Total Operating Revenue	887,044	808,687	945,006	594,417
Percent Change	-11.05%	-8.83%	16.86%	-37.10%
General Fund Subsidy	0	253,922	162,675	184,726
Total Festivals Revenue	887,044	1,062,609	1,107,681	779,143
Percent Change	-11.05%	19.79%	4.24%	-29.66%

Trends & Assumptions

The Festivals Fund was created in FY 2001-02 to account for revenues and expenditures associated with City-produced festivals, such as Bele Chere and the Film Festival.

Operating Revenue: Operating revenue is budgeted to decrease by 37.1%. There are several factors contributing to this decrease. First, the size of the 2009 Bele Chere festival will be reduced. This will result in the loss of one food court and a reduction in the number of beverage

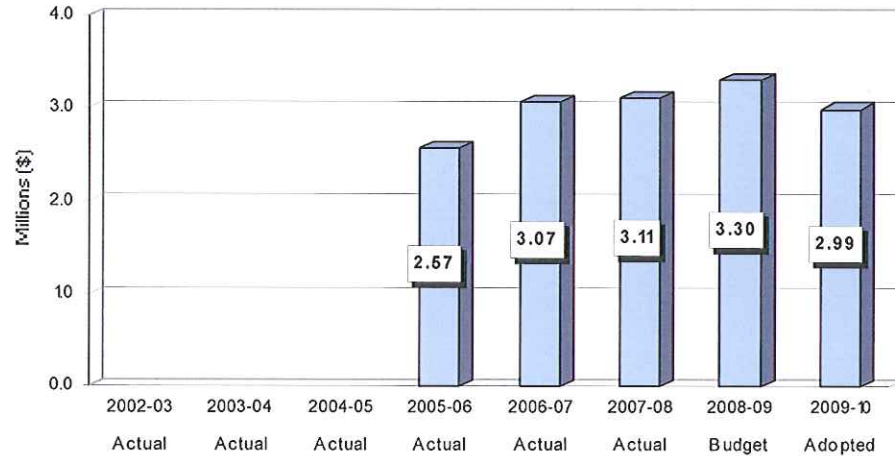
booths. In addition, there will be no ticketed event at the 2009 Bele Chere.

The recession is also expected to impact Festival Fund revenues in FY 2009-10. Attendance is expected to be down, and staff is also expecting to receive less sponsorship revenue.

General Fund Subsidy: A general fund subsidy of \$184,726 is included to support the costs of the Festivals staff.

ENTERPRISE FUND REVENUES

STORMWATER FUND REVENUES



<u>Stormwater Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Utility Charges	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Lease-Purchase Proceeds	6,286	264	280,000	0
Other	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total Stormwater Revenue	3,073,936	3,105,942	3,304,383	2,899,218
Percent Change	19.5%	1.04%	6.39%	-12.26%

Trends & Assumptions

The Stormwater Fund was created in FY 2005-06 to account for revenues and expenditures associated with the City's federally mandated stormwater program.

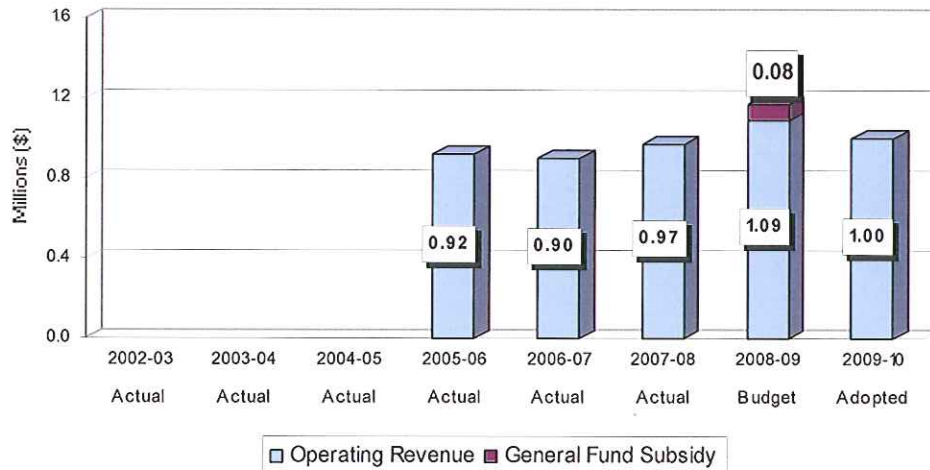
Licenses & Permits: The current recession has slowed revenue collections in the licenses and permits category. The FY 2009-10 budget is adjusted to reflect this downward trend in collections.

Utility Charges: Based on utility charges revenue collected during FY 2007-08 and trends observed through the first nine months of the current fiscal year, staff is budgeting \$2.67 million in utility charges revenue for FY 2009-10.

Lease-Purchase Proceeds: The FY 2008-09 budget included \$280,000 from debt proceeds to replace a large piece of stormwater equipment. Since no large equipment is slated for replacement in FY 2009-10, this revenue is removed from the budget.

ENTERPRISE FUND REVENUES

GOLF FUND REVENUES



<u>Golf Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Pro Shop Sales	44,363	42,319	58,000	30,000
Membership Fees	164,891	191,482	206,000	180,000
Snack Bar	71,914	73,543	80,000	80,000
Equipment Rental	258,377	272,775	275,000	275,000
Green Fees	354,492	381,270	470,000	435,000
Other	2,215	5,172	0	0
Total Operating Revenue	896,252	966,561	1,089,000	1,000,000
Percent Change	-2.2%	7.84%	12.67%	-8.17%
General Fund Subsidy	0	0	75,701	0
Total Golf Revenue	896,252	966,561	1,164,701	1,000,000
Percent Change	-2.2%	7.84%	20.50%	-14.14%

Trends & Assumptions

The Golf Fund was created in FY 2005-06 when the City assumed operation of the Municipal Golf Course from Buncombe County as a part of the Water Agreement termination.

Operating Revenues: The adopted budget shows a decrease in operating revenue of \$89,000 or 8.2%. This decrease reflects the impact of the recession on golf course revenue, as well as an attempt by staff to budget revenues

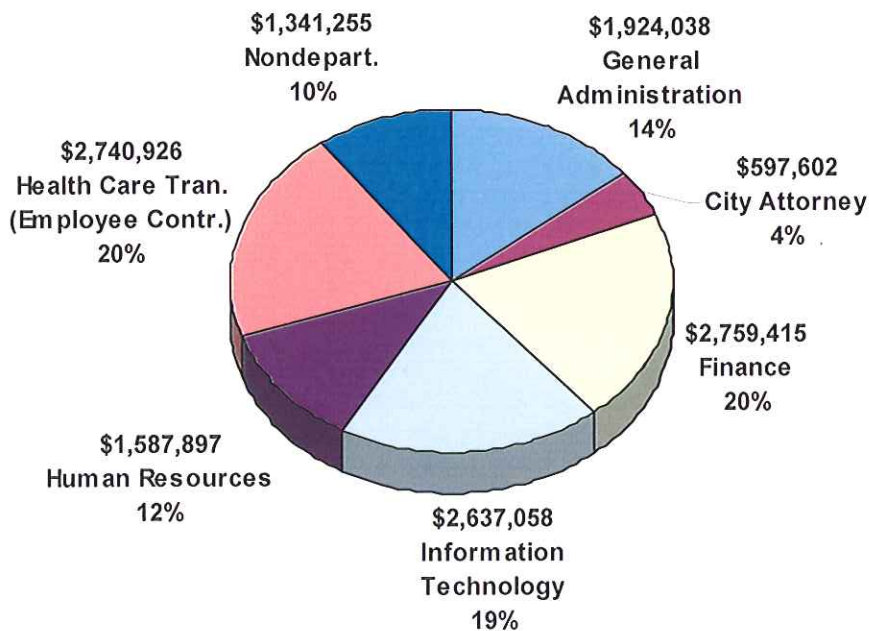
at a level that is more consistent with collections in prior years.

General Fund Subsidy: Staff completed a re-organization and restructuring plan that resulted in an expenditure reduction in the golf fund of over \$100,000. As a result, no general fund subsidy is required to balance the FY 2009-10 golf fund budget.

GENERAL GOVERNMENT SUMMARY

BUDGET SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
General Administration	1,780,402	1,977,238	1,886,512	1,924,038
City Attorney's Office	502,051	576,739	624,864	597,602
Finance	5,717,640	2,470,842	2,642,397	2,759,415
Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
Health Care Trans. (Employee Contr.)	0	2,740,926	2,800,000	2,740,926
Nondepartmental	1,511,482	1,280,911	1,259,593	1,341,255
Total Expenditures	12,329,032	12,641,041	13,060,610	13,588,191
 FTE Positions	 80.76	 91.76	 88.76	 87.13
Revenues:				
General Administration	234,211	52,193	166,000	0
Finance	2,919,057	2,742,934	2,214,600	2,217,299
Information Technology	37,021	38,622	54,743	54,345
Health Care (Employee Contr.)	0	2,740,926	2,800,000	2,740,926
Human Resources	0	0	0	25,000
 Subtotal	 3,190,289	 5,574,675	 5,235,343	 5,037,570
General Revenue Support	9,138,743	7,066,366	7,825,267	8,550,621
Total Revenues	12,329,032	12,641,041	13,060,610	13,588,191

FY09-10 General Government Budget by Department



GENERAL ADMINISTRATION

Jeffrey B. Richardson, Assistant City Manager

MISSION: The mission of the General Administration Department is to provide fair and consistently high quality services to all citizens and employees by creating a cooperative, outcome-oriented and informed environment. We promise to all City employees our commitment to: leadership by example; open communication; an atmosphere of mutual trust and loyalty; pride and enjoyment in work; recognition of accomplishment; excellence; new ideas; fairness and consistency; personal and professional development; a safe and healthy workplace; fair pay and benefits; necessary tools to do the job; and responsible financial management.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,119,102	1,151,295	1,228,978	1,253,638
Fringe Benefits	293,782	325,821	368,241	390,953
Operating Costs	454,441	655,708	489,293	409,447
Capital Outlay	28,836	0	0	0
Cost Transfers	<u>-115,759</u>	<u>-155,586</u>	<u>-200,000</u>	<u>-130,000</u>
Total	1,780,402	1,977,238	1,886,512	1,924,038
FTE Positions	16.00	20.00	18.00	18.00
Revenues:				
Charges For Service	<u>234,211</u>	<u>52,193</u>	<u>166,000</u>	<u>0</u>
Subtotal	234,211	52,193	166,000	0
General Revenue Support	1,546,191	1,925,045	1,720,512	1,924,038
Total	1,780,402	1,977,238	1,886,512	1,924,038

BUDGET HIGHLIGHTS

- The General Administration budget, which shows an increase of 2.0%, reflects a continuation of existing programs and services.

GENERAL ADMINISTRATION

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Governing Body</u>	171,575	187,907	193,748	189,455
FTE Positions	0.00	0.00	0.00	0.00

The Governing Body Division provides funding for the salaries and operating expenses of the Mayor and the City Council.

<u>City Clerk</u>	89,565	112,441	95,366	109,981
FTE Positions	1.00	2.00	1.00	1.00

The City Clerk gives notice of Council meetings, maintains a journal of proceedings of City Council, is the custodian of all official City records, and performs other duties that may be required by law or City Council.

<u>City Manager</u>	580,311	577,531	582,221	598,470
FTE Positions	5.00	6.00	5.00	5.00

The City Manager Division is responsible for managing and coordinating the operations of all City departments and for ensuring that City Council goals and objectives are incorporated into departmental goals and objectives.

<u>Community Oriented Government</u>	461,567	447,488	475,561	506,141
FTE Positions	5.00	7.00	7.00	7.00

The Community Oriented Government Division facilitates the creation and continuance of programs that focus on making information about City services and programs more accessible to communities, neighborhoods and individuals in Asheville.

<u>Economic Development</u>	477,384	651,871	539,616	519,991
FTE Positions	5.00	5.00	5.00	5.00

The Economic Development Division is responsible for establishing and executing activities and policies that result in the retention, expansion, and attraction of quality business investments and jobs for the City of Asheville.

GENERAL ADMINISTRATION

DEPARTMENTAL GOALS

- Provide leadership strategies and implement policies and initiatives that support Asheville City Council's Strategic Plan and associated goals, objectives and action items.
- Continue to make Asheville a desirable place to live, work and play by pursuing policies that enhance the quality of life for all City residents.
- Record all official action of the City Council, safeguard all official records, and provide accurate information to citizens in an efficient and professional manner.
- Promote Asheville's economic development policies through collaborative initiatives that create a diverse, vibrant and robust economy.
- Reduce the number of circumstances that lead to citizen complaints, respond effectively to complaints that do occur, and facilitate citizen requests for service.
- Foster an engaged and informed community by effectively communicating the City's goals, services, programs and initiatives.
- Utilize a broad range of communication tools including the City's website, the Asheville Channel, and in-house print services to foster a community that is well-informed and involved in decisions.

KEY PERFORMANCE OBJECTIVES & MEASURES

- Percentage of citizens who rate the overall quality of life in Asheville as either "Good" or "Excellent" in the City's citizen survey. **FY08-09 80%**
- Percentage of leading economic indicators, such as unemployment rate and job creation, that is consistent with or better than the national average.
- Percentage of City Council minutes prepared within 3 days of the meeting and approved without amendment.
- Percentage of City Council agendas produced electronically 4 days prior to meeting.
- Percentage of citizens who have visited the City's website. **FY08-09 63%**
- Percentage of all requests for public records fulfilled or closed in no more than 10 business days. **FY08-09 98%**
- Percentage of citizens who rate opportunities to participate in community matters as "Excellent" or "Good." **FY08-09 68%**

CITY ATTORNEY'S OFFICE

Bob Oast, City Attorney

MISSION: The City Attorney's Office advises and represents the City of Asheville in all settings where legal advice and representation are needed or requested.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	354,312	379,362	435,050	411,037
Fringe Benefits	85,843	98,579	121,216	117,129
Operating Costs	61,896	98,798	68,598	69,436
Capital Outlay	0	0	0	0
Total	502,051	576,739	624,864	597,602
FTE Positions	5.00	6.00	6.00	5.50

BUDGET HIGHLIGHTS

- An Administrative Assistant position in the City Attorney's Office will be reduced to part-time in January 2010.

DEPARTMENTAL GOALS

- Handle all lawsuits (motions, etc.) in a timely fashion.
- Process ordinances, resolutions and routine contracts (within Manager's signing authority) in a timely manner.
- Risk/loss minimization.
- Compliance as to regulatory and intergovernmental matters.
- Pursue legislative agenda.

KEY PERFORMANCE OBJECTIVES & MEASURES

	2007/08	2008/09	2009/10
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>
• Respond to pleadings and motions by court or legally mandated deadlines.	N/A	100%	100%
• Complete reviews and edits within 10 days (30 days for conditional zoning permits.)	N/A	90%	90%
• Complete review and response on routine contracts & agreements within 2 weeks of receipt.	N/A	N/A	80%

FINANCE

Benjamin C. Durant III, Chief Financial Officer

MISSION: The mission of the Finance Department is to preserve and promote the City's financial condition and to deliver support and other services effectively and efficiently.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,310,144	1,423,510	1,635,169	1,685,650
Fringe Benefits	418,652	442,896	530,818	564,562
Operating Costs	11,968,837	604,436	476,410	509,203
Capital Outlay	0	0	0	0
Cost Transfers	<u>-7,979,993</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	5,717,640	2,470,842	2,642,397	2,759,415
FTE Positions	31.00	33.00	32.00	31.00
Revenues:				
Investment Earnings	1,647,145	1,529,000	1,000,000	1,000,000
Charges To Other Funds	1,724	549	2,500	0
Licenses & Permits	1,051,348	1,118,462	1,110,100	1,115,299
Charges For Service	1,120	1,230	0	0
Miscellaneous	<u>217,720</u>	<u>93,693</u>	<u>102,000</u>	<u>102,000</u>
Subtotal	2,919,057	2,742,934	2,214,600	2,217,299
General Revenue Support	2,798,583	0	427,797	542,116
Total	5,717,640	2,742,934	2,642,397	2,759,415

BUDGET HIGHLIGHTS

- One vacant FTE position in the Purchasing Division will be eliminated.
- The Accounting Division budget includes an additional \$42,000 for professional audit services to augment existing resources during the transition from H.T.E. to MUNIS.

FINANCE

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	328,214	266,965	368,801	358,869
FTE Positions	3.00	3.00	3.00	3.00

The Administration Division provides leadership for the variety of responsibilities assigned to the Finance Department. This division also: monitors the City's Capital Improvement Program; directs and manages the Asheville Public Financing Corporation and the Asheville Claims Corporation; and structures, implements and monitors special financial arrangements such as the City's self-insurance program and pension obligation financing. This division is also responsible for the City's internal audit functions.

<u>Accounting</u>	1,210,278	1,315,166	1,252,193	1,422,369
FTE Positions	16.00	17.00	16.00	16.00

The Accounting Division maintains City financial records in accordance with the North Carolina General Statutes and generally accepted principles of governmental accounting. This division's activities include: financial record keeping, all payroll related functions, accounts payable & accounts receivable activities, treasury management, and fiscal grant management.

<u>Purchasing</u>	246,480	285,665	372,518	346,326
FTE Positions	4.00	5.00	5.00	4.00

The Purchasing Division's functions include the procurement of all City commodities and the sale of City-owned surplus property by sealed bids and/or public auction. The operation of the City's Central Stores Facility is also a function of this division, but Central Stores expenses are accounted for in a separate division.

<u>Central Stores</u>	141,294	141,317	156,027	158,315
FTE Positions	2.00	2.00	2.00	2.00

The Central Stores Division maintains inventory in support of all departments and divisions of the City. Inventory consists of three major classes: water maintenance materials, stormwater/drainage materials and general operating supplies (consisting of office, safety and janitorial products).

<u>Risk Management Admin</u>	237,109	262,338	272,473	250,500
FTE Positions	3.00	3.00	3.00	3.00

The Risk Management Administration Division analyzes the relative loss exposure for all City operations and activities and provides recommendations to City staff and City departments. Risk Management also places appropriate protective coverage for the City either through adequate insurance at the best possible premium or by selecting and implementing alternative risk financing, risk transfer, loss prevention and loss control techniques.

FINANCE

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Budget & Research</u>	124,209	199,391	220,385	223,036
FTE Positions	3.00	3.00	3.00	3.00

The function of the Budget & Research Division is to plan, prepare and monitor the City's operating and capital budgets, review the efficiency of City activities, and provide assistance to the City Manager and other departments in management, planning and evaluation.

<u>Group Health</u>	3,884,361	0	0	0
<u>Workers Compensation</u>	-392,242	0	0	0
<u>Insurance & Bonds</u>	-28,680	0	0	0
<u>Police/Fire Disability</u>	-29,767	0	0	0
<u>Police Separation Allowance</u>	-23,774	0	0	0

Beginning with the 2007-08 fiscal year, the five programs above are accounted for in a separate internal service fund.

DEPARTMENTAL GOALS

- Provide high quality financial management services to facilitate sound business decisions.
- Provide great customer service with a high level of professionalism and responsiveness.
- Continuously improve the efficiency of its key business processes through automation and other re-engineering initiatives.
- Establish the department as a learning and growth organization by promoting growth opportunities for all employees.

FINANCE

KEY PERFORMANCE OBJECTIVES & MEASURES

- Maintain general fund balance at a minimum of 20% of general fund expenditures.
- Successfully settle 90% of liability claims through mediation.
- Decrease worker's compensation actions or injuries from prior year's level.
- Receive an unqualified audit opinion, as well as the GFOA Excellence in Financial Reporting Award.
- Receive a score of 80% or higher on internal customer service satisfaction survey.
- Pay 99.5% of all bills within vendor contract terms.
- Establish a culture of continuous learning and professional growth in the Finance Department.

INFORMATION TECHNOLOGY SERVICES

Jonathan Feldman, Director

MISSION: Information Technology Services strives to provide excellent customer service by providing high quality technical deliverables with a high level of professionalism and responsiveness. We adhere to the principles of technical and fiscal stewardship with an end-goal of a high quality of life for end users and citizens.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	924,277	1,003,892	1,080,160	1,192,397
Fringe Benefits	236,480	270,049	298,431	346,565
Operating Costs	1,019,741	1,257,064	1,341,347	1,432,718
Capital Outlay	50,418	115,523	70,500	28,000
Cost Transfers	<u>-442,289</u>	<u>-373,715</u>	<u>-488,256</u>	<u>-362,622</u>
Total	1,788,627	2,272,813	2,302,182	2,637,058
FTE Positions	16.00	17.00	17.00	17.50
Revenues:				
Charges For Service	<u>37,021</u>	<u>38,622</u>	<u>54,743</u>	<u>54,345</u>
Subtotal	37,021	38,622	54,743	54,345
General Revenue Support	1,751,606	2,234,191	2,247,439	2,582,713
Total	1,788,627	2,272,813	2,302,182	2,637,058

BUDGET HIGHLIGHTS

- An Administrative Assistant position in the Information Technology Services (ITS) Department is reduced from full-time to part-time. In addition, in an ongoing consolidation and streamlining move, a GIS Technician position was moved from the Water Resources Fund to ITS. As is usual, interfund transfer will cover the portion of this resource utilized by the Water Fund, making it an essentially fund-neutral move.
- The ITS budget includes approximately \$150,000 in additional operating expenses associated with the implementation of the City's new enterprise software upgrade project or BTIP. This additional funding is required during the transition period from H.T.E. to MUNIS in order to pay the maintenance agreements for both systems.

INFORMATION TECHNOLOGY SERVICES

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Information Services</u>	1,788,627	2,272,813	0	0
FTE Positions	16.00	17.00	0.00	0.00

Beginning in FY2008-09, the Information Services Department is accounted for in the following divisions:

<u>Administration</u>	0	0	222,986	184,802
FTE Positions	0.00	0.00	2.00	1.50

The Administration Division ensures that customer friendly, useful, and labor-saving technology services are deployed by each area of the department. To this end, we responsibly plan and manage personnel, budget, capital projects, and outsourcing activities; act as liaison to and provide performance metrics to external departments, City Council, vendors, and citizens; and provide administrative support to all divisions of the department.

<u>GIS & Application Services</u>	0	0	379,356	637,281
FTE Positions	0.00	0.00	4.00	5.00

The GIS & Application Services Division provides flexible, automated, and standards-based application services and software to the City's business units. By focusing and tailoring our products, we aim to provide increased business intelligence, leading to a more efficient and effective City. We will accomplish this goal by working with customers to best prioritize and use resources and by organizing information by geography to best serve our customers' location-based activities.

<u>IT Support Services</u>	0	0	618,508	664,299
FTE Positions	0.00	0.00	5.00	5.00

The IT Support Services Division ensures all customer information technology needs are met in a timely, efficient, and courteous way. To meet these needs, provide a centralized Help Desk service, documentation and knowledge management, and other task and project management tools and services.

<u>Technical Services</u>	0	0	1,081,332	1,150,676
FTE Positions	0.00	0.00	6.00	6.00

The Technical Services Division continuously improves network infrastructure in order to enhance the quality and reliability of both data and communication systems.

INFORMATION TECHNOLOGY SERVICES

DEPARTMENTAL GOALS

- Ensure that technology services are aligned with business requirements of City staff and citizens; follow on successes like mapAsheville to save labor and improve efficiency.
- Pursue organizational development strategy, including staff industry certifications and industry accreditation.
- Significantly improve security and reliability by modernizing data center & data handling practices.
- Utilize test environment and automated deployment system to ensure quality & timely IT products are received by users and citizens.
- Monitor and act on metrics regarding work load, capacity, and network health to enable proactive management of resources.

KEY PERFORMANCE OBJECTIVES & MEASURES

<i>Performance Measures</i>	<i>Data Collection Source or Procedure (Reporting Period)</i>	<i>FY07</i>	<i>FY08</i>	<i>FY09 (EST)</i>
• <i>Percentage of good and excellent Customer Service Survey results</i>	<i>Online surveys (Quarterly)</i>	92.5%	95.06%	97.15%
• <i>Percentage of City operating budget allocated to IT Services</i>	<i>Budgetary systems (Yearly)</i>		1.8%	1.7%
• <i>Key performance data including percentage of availability to users</i>	<i>Network and system monitoring tools (Monthly)</i>		99.83%	99.84%
• <i>Percentage of infrastructure replaced per year</i>	<i>Inventory database (Yearly)</i>			4.66%
• <i>User satisfaction rating with enterprise software</i>	<i>Survey (Yearly)</i>	51.0%	51.0%	51.0%
• <i>Percentage of correlation between addressing systems (data correctness)</i>	<i>GIS and centralized software (Quarterly)</i>	87.0%	90.50%	94.62%
• <i>Percentage of normal priority calls resolved within 24 hours</i>	<i>Help desk software data (Monthly)</i>	-	62.84%	66.37%

HUMAN RESOURCES

Lisa Roth, Director

MISSION: It is the mission of the Human Resources Department to provide a full range of customer-friendly services which foster a competitive, representative, healthy and fair work environment and to provide for the personal and professional development of employees.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	626,044	724,400	826,940	874,495
Fringe Benefits	153,101	193,589	233,356	254,704
Operating Costs	286,420	435,403	522,173	496,105
Capital Outlay	0	3,490	0	0
Cost Transfers	<u>-36,735</u>	<u>-35,310</u>	<u>-37,407</u>	<u>-37,407</u>
Total	1,028,830	1,321,572	1,545,062	1,587,897
FTE Positions	12.76	15.76	15.76	15.13
Revenues:				
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
Subtotal	0	0	0	25,000
General Revenue Support	1,028,830	1,321,572	1,500,416	1,562,897
Total	1,028,830	1,321,572	1,500,416	1,587,897

BUDGET HIGHLIGHTS

- A vacant Human Resources Coordinator position is deleted from the budget. In addition, as a part of a departmental reorganization, a permanent part-time nurse position in the Health Services division will be upgraded to full time. As a result of these two changes, the total FTE count in Human Resources shows a net decrease of 0.63.
- The Human Resources personnel budget also reflects the fact that the expenses for the Program Coordinator position for the City of Asheville Youth Leadership Academy (CAYLA) are being moved from a grant fund to the general fund. This position was accounted for in a grant fund in FY 2008-09 since it was fully funded with foundation funds, donations, and \$25,000 in support from Buncombe County. In FY 2009-10, the City will continue to receive \$25,000 from Buncombe County, but the remainder of the CAYLA expenses will be funded with general fund support.

HUMAN RESOURCES

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	511,006	933,609	1,052,553	1,080,310
FTE Positions	9.50	10.50	10.50	10.50

The Administration Division provides leadership for the variety of responsibilities assigned to the Human Resources Department.

<u>Organization & Development</u>	221,393	154,962	237,380	230,764
FTE Positions	1.00	2.00	2.00	2.00

The Organization & Development Division develops, analyzes, and maintains the City's pay and classification plan, and fringe benefit and retirement plans. This division focuses on creating a cost-effective total rewards system that allows the City to attract and retain a highly qualified, high-performing, and diversified workforce.

<u>City Employment</u>	79,882	141	0	0.00
FTE Positions	0.00	0.00	0.00	0.00

The City Employment Division was merged with the Administration division.

<u>Health Services</u>	216,549	232,860	255,129	276,823
FTE Positions	2.26	2.26	2.26	2.63

The Health Services Division is responsible for providing programs on employee health and wellness, including certain OSHA compliance programs, initial management of work injuries, and Federal DOT and City drug & alcohol testing. Health Services also strives to improve the quality of life for City employees by serving as an accessible medical resource for all employees.

DEPARTMENTAL GOALS

- To provide diversity strategies that will enable the organization to mirror our community.
- To provide succession planning strategies that will allow the organization to grow and prosper in the future.
- To provide enhanced compensation and benefit packages that will attract and retain highly qualified candidates and employees.
- To provide proactive recruiting strategies that attract well qualified, high performing, and diversified candidates.

HUMAN RESOURCES

KEY PERFORMANCE OBJECTIVES & MEASURES

- Increase the percentage of qualified minorities who apply and are successful in obtaining employment and promotions within all departments.
- Study all jobs within the City and have them appropriately slotted into a new market-based broad-band compensation plan.
- Increase participation in the City's disease management programs and look for areas to expand into new disease types.
- Continue to improve recruitment processes and cycles.

NONDEPARTMENTAL GENERAL GOVERNMENT

BUDGET SUMMARY

Expenditures:	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Buncombe County Tax Collections	635,922	650,885	675,000	700,000
Board of Elections	0	159,416	0	160,000
Unemployment	19,437	33,272	40,912	65,179
Group Disability	20,570	47,560	51,140	60,165
URTV	18,750	31,250	68,021	60,000
Education Channel	0	0	7,976	18,000
Employee Transit Passes	3,853	7,235	6,071	7,521
City Stormwater Costs	101,952	133,497	115,000	139,001
Transfer to Capital Fund	0	0	119,013	0
Other	<u>710,998</u>	<u>217,796</u>	<u>176,460</u>	<u>131,389</u>
Total	1,511,482	1,280,911	1,259,593	1,341,255

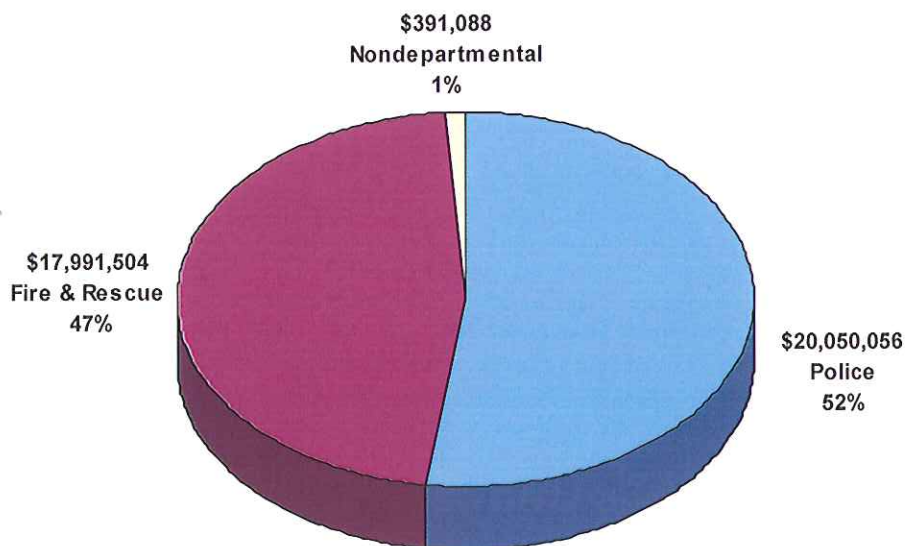
BUDGET HIGHLIGHTS

- The FY 2009-10 budget includes \$160,000 to fund the costs of the upcoming fall 2009 City Council elections.
- Under the State Video Service Franchise Bill, the City receives supplemental P.E.G. funding which must be passed on to the local Education and Public Access (URTV) channels. In addition, the City shares 60% of the regular P.E.G. funding with URTV. For FY 2009-10, these two revenues will provide approximately \$60,000 in funding for URTV and \$18,000 for the Education channel.

PUBLIC SAFETY SUMMARY

BUDGET SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Police	16,251,889	18,569,261	19,735,634	20,050,056
Fire & Rescue	14,450,624	16,426,305	16,613,560	17,991,504
Nondepartmental	314,213	601,142	376,629	391,088
Total Expenditures	31,016,726	35,596,708	36,725,823	38,432,648
 FTE Positions	 470.00	 488.00	 494.00	 498.00
Revenues:				
Police	466,389	559,141	403,488	412,250
Fire & Rescue	1,099,029	1,576,243	1,772,774	1,883,933
 Subtotal	 1,565,418	 2,135,384	 2,176,262	 2,296,183
General Revenue Support	29,451,308	33,461,324	34,549,561	36,136,465
Total Revenues	31,016,726	35,596,708	36,725,823	38,432,648

FY 2009-10 Public Safety Budget by Department



POLICE

William Hogan, Chief of Police

MISSION: We provide the highest level of police services in partnership with the community to enhance the quality of life. We provide public safety and maintain order; enforce the laws of North Carolina, uphold the United States Constitution and enhance National security. We adhere to the Guiding Principles of: Integrity, Fairness, Respect and Professionalism.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	10,284,380	11,369,587	12,154,721	12,182,314
Fringe Benefits	3,435,793	3,982,271	4,235,471	4,549,565
Operating Costs	2,475,146	3,038,323	3,328,352	3,318,177
Capital Outlay	<u>56,570</u>	<u>179,080</u>	<u>17,090</u>	<u>0</u>
Total	16,251,889	18,569,261	19,735,634	20,050,056
FTE Positions	242.00	261.00	261.00	259.00
Revenues:				
Intergovernmental	215,145	284,233	223,018	225,000
Charges for Service	41,781	44,379	40,700	41,700
Miscellaneous	174,287	193,391	109,500	115,200
Licenses & Permits	<u>35,176</u>	<u>37,138</u>	<u>30,270</u>	<u>30,350</u>
Subtotal	466,389	559,141	403,488	412,250
General Revenue Support	15,785,500	18,010,120	19,332,146	19,637,806
Total	16,251,889	18,569,261	19,735,634	20,050,056

BUDGET HIGHLIGHTS

- The Police Department budget includes the elimination of 4 FTE positions: a Projects Administrator, a Forensics Technician, and 2 Records Clerks. Two new Police Officer positions are included in the budget to service the Airport Road and Ridgefield annexation areas. The net effect is a decrease of 2.0 FTE positions in the Police Department.
- The Police operating budget includes a \$54,000 increase in the City's payment to the County for its share of the Criminal Justice Information System (CJIS).

POLICE

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	1,693,418	1,874,597	1,987,905	1,918,851
FTE Positions	12.00	12.00	12.00	11.00

The Administration Division provides top management support, direction, and coordination for all operations and activities of the department. Specific activities include: professional standards, project management, and employee services.

<u>Criminal Investigations</u>	2,278,281	2,525,091	2,654,261	2,728,475
FTE Positions	33.00	38.00	38.00	37.00

The Criminal Investigations Division is responsible for investigating all serious crimes reported to police. Functions include: general investigations, youth services and sexual assault investigations, support for the Metropolitan Enforcement Group, forensic services, school liaison, and victim services.

<u>Support Bureau</u>	2,701,427	3,151,558	3,637,462	3,784,958
FTE Positions	37.00	41.00	41.00	39.00

The Support Services Division provides services to both the public and the police operating divisions. These services include: police/fire communications, property control, police records, court liaison, crime analysis, accreditation, and building maintenance. The animal control function is responsible for enforcing the City of Asheville animal control ordinance. The officers also investigate violations of state laws concerning domestic animals and coordinate with the Wildlife Resources Commission and the Humane Society.

<u>Patrol Bureau</u>	9,578,763	11,018,015	11,456,006	11,617,772
FTE Positions	160.00	170.00	170.00	172.00

The Patrol Division responds to public calls for service, conducts criminal incident and traffic accident investigations, enforces laws, maintains continuous 24-hour patrol, and provides organization and leadership in community-based problem solving activities.

POLICE

DEPARTMENTAL GOALS

- Maintain the highest level of quality service by adhering to our Guiding Principles of: Integrity, Fairness, Respect and Professionalism.
- Enhance external and internal customer service through communication and community outreach.
- Utilize resources efficiently and effectively in preventing and suppressing criminal and drug activity.
- Partner with the community to enhance the quality of life and resolve neighborhood concerns.
- Establish a working environment that encourages teamwork, empowerment, communication and professional development.
- Maintain a dynamic organization that utilizes leading-edge technology and methods of enhancing community policing and drug enforcement activities.
- Maintain a unit designated to educate employees and the public about local gangs to include Gang Resistance Education and Training (GREAT) and track the criminal activity associated with each gang member.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2007/08</u> <u>Actual</u>	<u>2008/09</u> <u>Estimate</u>	<u>2009/10</u> <u>Target</u>
• Clear, as defined by UCR* standards, 25% of assigned part I cases.	27%	28%	25%
• Enhance APD operations by securing \$100,000 of grant funds, thus reducing dependence on the City's general fund.	\$374,696	\$141,000	\$100,000
• Improve public acceptance within the community by increasing minority representation within the department's workforce through the hiring of eight protected class employees.	12	8	8
• Improve the police department's image within the City by implementing a "Marketing the Police" project to include conducting a Community and Police Day and conducting bi-annual Citizen Police Academies or Junior Academies.	APD Blotter Crime Mapper 2 CPAs/1JCPA Com. Pol. Day	City TV Cable safety messages WEB/Blotter 3 CPAs	WEB 3 CPAs City TV Com. Pol. Day
• Increase the applicant pool by actively pursuing and participating in 15 job fairs, targeting protected class candidates.	17	15	15

POLICE

KEY PERFORMANCE OBJECTIVES & MEASURES (Cont)

	2007/08 Actual	2008/09 Estimate	2009/10 Target
<ul style="list-style-type: none"> Implement a traffic safety program focused on safer streets and sidewalks by increasing public awareness campaigns and conducting monthly traffic Checking Stations in targeted traffic accident reduction locations. 	67 Traffic DPs 4-DWI 29-Seatbelts Cks	Education Clips via TV 38% accident target reduction	Ed. Via TV & WEB Acc. Target reduction
	30	36	24
<ul style="list-style-type: none"> Improve quality of life for residents in targeted neighborhoods by conducting monthly drug enforcement activities, to include undercover operations and community awareness events. 			
<ul style="list-style-type: none"> Increase youth participation awareness and interaction with the Police by recruiting and maintaining involvement in the Explorer Post. Conduct quarterly community awareness events to raise awareness levels. 	12-Active Uniforms Reg. Meetings	Regular Mtgs New Uniforms Competitions Comm. Activities	Regional Comp. Increased Counselors Reg. Mtgs.

* Uniform Crime Reporting (UCR) Part I Crimes are: criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

FIRE & RESCUE

Scott Burnette, Interim Fire Chief

MISSION: The mission of the City of Asheville Fire and Rescue Department is to protect the lives, property and environment of all people within Asheville by preventing the occurrence and minimizing the adverse effects of fires, accidents and all other emergencies. This mission will be accomplished with firefighter pride, preparedness and professionalism, with a focus on quality customer service and continuous improvement.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	9,912,808	11,153,517	11,189,186	11,874,036
Fringe Benefits	2,431,910	2,922,385	3,093,529	3,505,955
Operating Costs	1,894,728	2,211,116	2,208,172	2,530,463
Capital Outlay	<u>211,178</u>	<u>139,287</u>	<u>122,673</u>	<u>81,050</u>
Total	14,450,624	16,426,305	16,613,560	17,991,504
FTE Positions	228.00	227.00	233.00	239.00
Revenues:				
Charges for Service	978,346	1,433,212	1,544,562	1,605,000
Intergovernmental	42,275	47,840	136,893	149,511
Sales Tax	73,020	74,896	78,959	116,959
Miscellaneous	5,388	20,295	10,300	12,463
Licenses & Permits	<u>0</u>	<u>0</u>	<u>2,060</u>	<u>0</u>
Subtotal	1,099,029	1,576,243	1,772,774	1,883,933
General Revenue Support	13,351,595	14,850,062	14,840,786	16,107,571
Total	14,450,624	16,426,305	16,613,560	17,991,504

BUDGET HIGHLIGHTS

- On July 1st, 2009, there will be a transition of a portion of the Haw Creek Fire Department county fire district to the City of Asheville Fire Department. In order to service this expansion of the Asheville Suburban Fire District, two additional Fire Engineers and two additional Firefighters are added to the FY 2009-10 budget at a cost of approximately \$150,000. The City will receive additional revenue from the fire district and sales taxes to absorb the cost of servicing this additional area.
- The FY 2009-10 adopted Fire Department budget also includes the addition of three Firefighter positions to service the Airport Road and Ridgefield annexation areas. The Fire Department operating budget also includes \$100,000 in additional costs to pay the annexation contracts associated with these two annexations.
- One Fire Specialist position is deleted from the budget. This change, along with the additions described above, results in a net increase of 6.0 FTE positions in the Fire Department for FY 2009-10.
- The Fire Department operating costs include an additional \$55,000 for the Code Red system annual service contract, and a \$39,000 increase in the cost of the contract with Buncombe County for 911 emergency dispatch services.

FIRE & RESCUE

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Accountability/Administration</u>	1,871,825	1,964,681	1,968,202	2,232,734
FTE Positions	5.00	5.00	5.00	5.00

The Fire/Rescue Accountability and Administration Division is responsible for ensuring that our citizens and taxpayers are receiving the level and quality of fire and emergency services that they are paying for. This division encompasses the senior leadership of the department as well as the business office operations. Overall organizational management and leadership are focused in this division. Services include policy direction and development, problem resolution, comprehensive departmental human resource functions, long range and short term planning, payroll, purchasing, clerical and data processing and information management. Projects include all department capital improvements, contracts for specialized services, emergency service contracts and agreements, annexation service contracts, insurance rating programs, accreditation initiatives, performance measurement, organizational management and benchmarking, as well as being liaisons with neighboring fire and rescue departments, city government departments and divisions and other city, county, state and community based agencies and organizations.

<u>Emergency Response</u>	11,690,391	13,587,036	13,784,740	14,846,288
FTE Positions	210.00	210.00	216.00	223.00

The Emergency Response Division is responsible for response to 911 emergency calls for service. This division responds to emergencies throughout the city and all contractual areas. This responsibility is shared by shift operations personnel as well as necessary support personnel. Emergency responses to fires, medical emergencies, technical rescue incidents, hazardous materials spills, natural disasters and other type emergencies are provided 24/7/365 through three distinct work shifts. The department operates eleven (11) fire and rescue stations with fifteen (15) response companies, responding to over 15,000 emergencies annually. In addition, hydrant maintenance, fleet maintenance and repair, pre-emergency incident surveys, emergency preparedness, all safety and training programs, recruit academy partnerships, firefighter certification and career development as well as all other direct support services are provided for in this division.

<u>Fire Marshal's Office</u>	888,408	874,588	860,618	912,482
FTE Positions	13.00	12.00	12.00	11.00

The Fire Marshal's Office provides state mandated periodic fire inspections of all commercial properties within the City's jurisdiction. This division is responsible for ensuring that buildings and conditions meet minimum safety code requirements. Issuance of necessary permits and regulatory services are a function of this division. In addition, this division provides new construction plans review and new construction inspections. Fire scene investigation services and the City's fire investigation team are also a part of this division. Fire and injury prevention services, including child safety seats and public information, are also provided through this division to the public – especially for targeted groups such as children, the elderly and the business community.

FIRE & RESCUE

DEPARTMENTAL GOALS

The Fire and Rescue Department has established a formal Strategic Operating Plan (SOP), consistent with the City SOP and approved by City Council. The SOP focuses on continuous improvement and development of people, infrastructure, and services. A representative sampling of goals related to performance measurement includes:

- Meet or exceed the current (2004) standard of response coverage as adopted by the Asheville City Council.
- Meet or exceed the standard of coverage minimum requirements for accredited, urban fire and rescue departments.
- Benchmark with industry standards for emergency response and staffing.

KEY PERFORMANCE OBJECTIVES & MEASURES

Performance Measures	City Wide Performance		
	FY 2007/2008 Actual	FY 2008/2009 Estimate	FY 2009/2010 Target
Percentage of emergency responses in 8 minutes or less from 911 calls to arrival of first unit. (70% = minimum)	80%	79%	80%
Percentage of emergency responses in 14 minutes or less from 911 calls to arrival of total effective response force. (70% = minimum)	85%	91%	90%
Percentage of travel time for first arriving units to emergencies in 5 minutes 12 seconds or less. (70% = minimum)	80%	77%	80%
Percentage of travel time for total effective response force to emergencies in less than 10 minutes 24 seconds. (70% = minimum)	88%	93%	90%
Percentage of travel time for first arriving units to emergencies in 4 minutes or less. (90% = standard)	64%	60%	65%
Percentage of travel time for total effective response force to emergencies in 8 minutes or less. (90% = standard)	67%	73%	70%
Percentage of first due response companies that are staffed in accordance with the industry standard. (100% = standard)	60%	60%	60%

NONDEPARTMENTAL PUBLIC SAFETY

Intergovernmental services and nondepartmental public safety appropriations for FY 2009-10 include the following:

BUDGET SUMMARY

Expenditures:	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Police ID Bureau	218,286	307,648	340,631	350,980
CrimeStoppers	28,177	33,549	35,998	40,108
Transfer to Grant/Capital Fund	<u>67,750</u>	<u>259,945</u>	<u>0</u>	<u>0</u>
Total	314,213	601,142	376,629	391,088

BUDGET HIGHLIGHTS

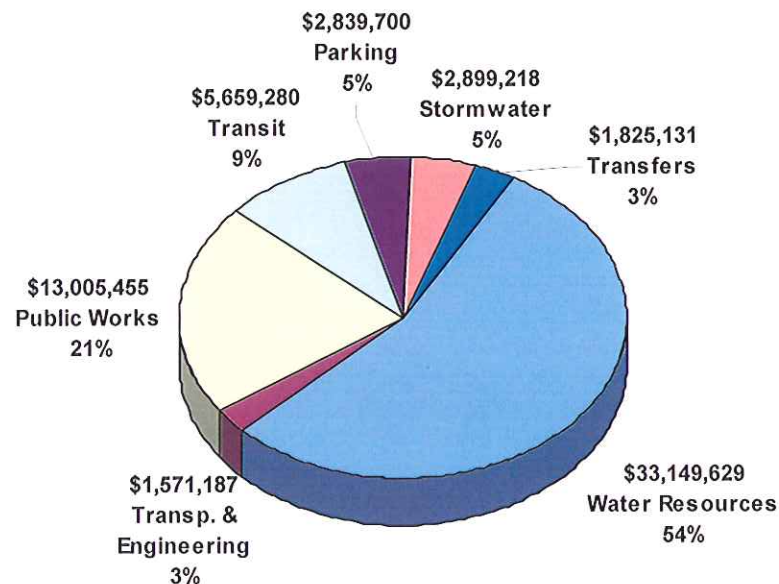
- The amounts that the City pays Buncombe County for the Police ID Bureau and the CrimeStoppers programs is slated to increase by approximately \$15,000 in FY 2009-10.



ENVIRONMENT & TRANSPORTATION SUMMARY

BUDGET SUMMARY	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Water Resources Fund	30,089,287	30,960,467	35,371,109	33,149,629
Public Works	10,202,154	11,466,431	12,162,261	13,005,455
Transportation & Engineering	1,814,662	1,858,662	1,600,030	1,571,187
Transit Services Fund	4,289,875	4,815,873	5,395,260	5,659,280
Parking Services Fund	1,893,523	2,358,799	3,099,700	2,839,700
Stormwater Utility Fund	2,269,157	2,579,320	3,304,383	2,899,218
Nondepartmental	2,238,896	2,327,865	2,518,497	1,825,131
Total Expenditures	52,797,554	56,367,417	63,451,240	60,949,600
 FTE Positions	 320.00	 349.38	 344.38	 339.38
Revenues:				
Water Resources Fund	31,437,503	32,627,659	35,371,109	33,149,629
Public Works	4,117,879	4,321,185	4,474,809	4,580,943
Transportation & Engineering	742,053	440,052	240,030	228,000
Transit Services Fund	4,637,865	4,777,881	5,395,260	5,659,280
Parking Services Fund	2,927,021	3,095,654	3,099,700	2,839,700
Stormwater Utility Fund	3,073,936	3,105,942	3,304,383	2,899,218
 Subtotal	 46,936,257	 48,368,373	 51,885,291	 49,356,770
General Revenue Support	9,395,780	10,891,721	11,565,949	11,592,830
Total Revenues	56,332,037	59,260,094	63,451,240	60,949,600

FY 2009-10 Environment & Transportation Budget by Department



WATER RESOURCES FUND

Steve Shoaf, Director

MISSION: The Water Resources Department will be the innovative leader in the water industry. Using the concept of continuous improvement, we accept the challenge of providing our regional customers with water to enhance their quality of life; being stewards over the most vital of all natural resources; and empowering our employees to meet our customer needs by providing the finest drinking water in the United States in an efficient and cost effective manner.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	4,410,304	5,208,778	5,849,869	6,040,760
Fringe Benefits	1,634,334	1,965,106	2,115,495	2,363,180
Operating Costs	7,859,419	7,752,775	8,765,701	10,128,355
Debt Service	4,954,448	6,100,586	7,648,970	7,637,399
Capital Outlay	<u>11,231,052</u>	<u>9,933,222</u>	<u>10,991,074</u>	<u>6,979,935</u>
Total	30,089,557	30,960,467	35,371,109	33,149,629
FTE Positions	134.00	152.00	153.00	152.00
Revenues:				
Charges For Service	30,406,152	31,132,542	30,974,000	32,576,439
Investment Earnings	940,606	1,427,717	800,000	550,000
Appropriated Fund Balance	0	0	3,557,559	0
Miscellaneous	<u>90,745</u>	<u>67,400</u>	<u>39,550</u>	<u>23,190</u>
Total	31,437,503	32,627,659	35,371,109	33,149,629

BUDGET HIGHLIGHTS

- The FY 2009-10 budget includes a 4% increase in water rates and the capital improvement fees. These rate increases, along with some other fee adjustments will generate approximately \$1.8 million in additional revenue for the Water Fund.
- The capital outlay category includes \$5.6 million for capital improvement projects, \$701,000 for rolling stock replacement, and \$681,000 for small capital equipment.
- The debt service budget for FY 2009-10, which includes payments on the \$40 million in revenue bonds issued in FY 2007-08 for capital improvements, is approximately 23% of the total budget.
- A GIS Technician position is transferred from the Water Resources Fund to Information Technology Services Department in the general fund.
- Operating costs are up 15% primarily due to increases in electricity rates and increased costs for materials, including the chemicals used in water treatment.

WATER RESOURCES FUND

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	638,889	871,163	663,600	672,941
FTE Positions	7.00	7.00	8.00	7.00

The Administration Division provides planning and management services for the Water Resources Department.

<u>Meter Services</u>	1,197,540	1,408,973	2,122,305	1,614,878
FTE Positions	17.00	17.00	17.00	17.00

The Meter Services Division is responsible for timely and accurate meter reading services and maintenance and replacement of meters.

<u>Water Education</u>	72,988	69,541	79,203	16,650
FTE Positions	1.00	1.00	0.00	0.00

The Water Education Division promotes customer education and directs and coordinates programs to make more efficient use of our existing water supplies. Water education programs are conducted for all members of the community with a special emphasis on school children.

<u>Construction Crew</u>	428,651	485,088	547,222	527,563
FTE Positions	7.00	7.00	7.00	7.00

The Construction Crew Division is responsible for performing small water distribution system improvement projects.

<u>Water Maintenance</u>	3,952,087	3,915,833	4,177,034	4,476,142
FTE Positions	50.00	49.00	49.00	49.00

The Water Maintenance Division is responsible for maintaining and upgrading approximately 1,625 miles of distribution mains, service lines, valves, meters, fire hydrants, pumps, and storage reservoirs throughout the water system.

<u>Water Production</u>	3,484,951	4,074,282	4,601,857	5,636,350
FTE Positions	32.00	41.00	41.00	41.00

The Water Production and Quality Control Division is responsible for operating and maintaining the North Fork, Mills River, and Bee Tree Water Treatment Plants as well as protecting and managing a 22,000-acre watershed.

WATER RESOURCES FUND

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
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<u>Department-Wide Expenses</u>	19,198,646	17,218,004	20,813,609	17,661,366
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Costs of this activity are not allocable to individual divisions or activities. Examples include debt service, transfer to capital, bad debt expense, insurance, and cost allocation (administrative costs to the City) expenses.

<u>Water Operating Equipment</u>	329,158	1,570,085	707,800	701,000
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There is a five-year replacement plan in place to ensure that capital equipment is replaced in a timely and cost effective manner. This plan is based on a comprehensive evaluation of all capital equipment, including rolling stock.

<u>Customer Service</u>	786,377	962,454	1,074,768	1,210,466
FTE Positions	20.00	22.00	22.00	22.00

The Customer Service Division is responsible for processing utility bill payments, establishing new water and sewer service, and assisting customers with various water and other City related issues or concerns.

<u>Engineering Services</u>	0	385,044	583,711	632,273
FTE Positions	0.00	8.00	9.00	9.00

The Engineering Services Division is responsible for providing timely plan review and inspection services to the development community, external customers, and internal customers. This includes processing water availability requests, reviewing and approving water line extensions, and inspecting newly installed water lines.

DEPARTMENTAL GOALS

- Ensure the highest quality drinking water to our customers at the lowest possible cost.
- Enhance the image of the City of Asheville through customer education programs and improved customer relations.
- Continuously improve our product, systems and processes to maximize customer satisfaction.
- Provide efficient and timely maintenance and repair of water mains, service lines, valves, and fire hydrants throughout the water system.
- Provide timely and professional engineering, management, financial, safety, and administrative services to the operating divisions of the Water Resources Department.
- Deliver excellent customer service, meter reading, meter reliability, and backflow assessment to our customers.
- Provide and implement a capital improvement program which satisfies all legal mandates and continues to improve water distribution system master planning and rehabilitation of critical needs.
- Maintain ISO 14001 Environmental Management System Registration.

WATER RESOURCES FUND

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2007/08</u> <u>Actual</u>	<u>2008/09</u> <u>Estimate</u>	<u>2009/10</u> <u>Target</u>
• Water Quality Regulations will be met 100% of the time and reported to customers annually in a Consumer Confidence Report	100%	100%	100%
• Increase the ratio of galvanized service lines renewed (versus repaired) in order to reduce leakage and improve service to customers	70%	70%	70%
• Increase the percentage of work orders responded to within 10 days	100%	100%	100%
• Continue to maintain Operating Margin at a level comparable to other water utilities in North Carolina	45%	36% or better	36% or better
• Continue to maintain Days of Operating Revenue in Accounts Receivable at a level comparable to other water utilities in North Carolina	38 days	Less than 55 days or better	Less than 55 days or better
• Continue to fund capital improvements to refurbish and replace aging infrastructure and to meet future regulations	\$5,859,327	\$5,840,000	\$5,850,000
• Answer incoming Customer Service calls as soon as possible. Meet or exceed Call Center Best Practices for abandoned calls.	N/A	2.5 minutes	2 minutes or less

PUBLIC WORKS

F. Mark Combs, Director

MISSION: The Public Works Department exists to provide safe and efficient movement of people and goods within the City and to maintain a safe, litter-free environment in the most economical and efficient manner possible. The Department functions to maintain and improve a variety of services and infrastructures.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	3,374,520	3,854,989	4,158,083	4,098,920
Fringe Benefits	1,415,246	1,702,478	1,679,495	1,772,403
Operating Costs	7,992,487	8,816,662	9,423,301	10,279,922
Capital Outlay	132,400	107,008	44,150	85,800
Cost Transfer	<u>-2,712,499</u>	<u>-3,014,706</u>	<u>-3,142,768</u>	<u>-3,231,590</u>
Total	10,202,154	11,466,431	12,162,261	13,005,455
FTE Positions	109.00	116.75	111.75	109.75
Revenues:				
Intergovernmental	2,282,069	2,607,730	2,659,885	2,210,189
Charges for Service	1,835,810	1,709,505	1,814,924	2,370,754
Investment Earnings	<u>0</u>	<u>3,950</u>	<u>0</u>	<u>0</u>
Subtotal	4,117,879	4,321,185	4,474,809	4,580,943
General Revenue Support	6,084,275	7,145,246	7,687,452	8,424,512
Total	10,202,154	11,466,431	12,162,261	13,005,455

BUDGET HIGHLIGHTS

- The adopted Public Works budget includes the elimination of one MEO position and one Secretary position.
- The Public Works Sanitation Division budget includes \$100,000 to enhance the downtown cleanliness program. The Sanitation Division budget also includes a \$106,764 increase in the tipping fee budget. The City of Asheville received a letter from Buncombe County on June 18, 2009, advising that tip fees at the Transfer Station are increasing from \$42/per ton to \$47/per ton effective September 1, 2009. Based on 2007-08 annual tonnage of 25,621 this represents an increase of \$106,764 for the 2009-10 budget year.
- The Public Works budget also includes a \$175,000 increase in the streetlighting budget due to an increase in electricity rates and a \$208,000 increase in the Recycling Division budget as a result of higher contract costs.

PUBLIC WORKS

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	1,009,492	1,076,412	1,126,203	1,132,989
FTE Positions	4.00	4.75	4.75	4.75

The responsibilities of the Public Works Administration Division include overseeing, leading and directing the Public Works divisions. This division develops operational procedures and policies; keeps abreast of new cost effective materials, equipment and training opportunities; and ensures that service levels remain constant or are improved without increasing costs. Public Works Administration also manages general street, sidewalk, bridge, drainage and signalization improvements.

<u>Signs & Markings</u>	239,675	258,743	263,039	277,303
FTE Positions	4.00	4.00	4.00	4.00

The Signs & Markings Division provides for the safe control and flow of all modes of transportation in the City through the development of standards, high quality customer service, quick response time, and careful planning.

<u>Street Lighting</u>	1,502,062	1,564,128	1,613,913	1,788,172
FTE Positions	0.00	0.00	0.00	0.00

The Public Works Department is responsible for overseeing the City's street lighting. The budget above represents the cost for street lighting in the City of Asheville.

<u>Street Maintenance</u>	2,796,689	3,341,155	3,472,925	3,452,021
FTE Positions	52.00	57.00	52.00	52.00

The Street Maintenance Division's mission is to construct and maintain the City's streets, sidewalks, and storm drainage systems in an efficient, customer-oriented manner; and to provide responsive emergency services in all types of weather.

<u>Sanitation</u>	3,027,586	3,337,415	3,688,037	4,127,200
FTE Positions	35.00	37.00	37.00	35.00

The Sanitation Division's mission is to provide quality services to all customers through on-schedule collection of municipal solid waste, bulky items, yard waste, and brush debris; and to ensure efficiency in every task, special project, equipment operation, and customer request.

<u>Recycling</u>	670,179	666,137	756,529	965,376
FTE Positions	0.00	0.00	0.00	0.00

The Recycling Division accounts for the cost of the City's curbside recycling program. The City contracts with a private sector firm for its curbside recycling services. The contract is administered through the Sanitation Division.

PUBLIC WORKS

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<i>Fleet Management</i>	956,471	1,222,441	1,241,615	1,262,394
FTE Positions	14.00	14.00	14.00	14.00

The Fleet Management Division is responsible for the maintenance and repair of more than 700 vehicles and equipment within the City's fleet. Fleet's highly trained and competent staff typically completes more than 8,000 work orders annually. The Fleet Management Division supplies fuel for City vehicles as well as for several other government and non-profit agencies including the Buncombe County School Board. The budget for Fleet Management represents the remaining net budget after allocating costs back to the departments.

DEPARTMENTAL GOALS

- Provide collection of municipal solid waste, yard waste collection, large item collection, special needs collection and increase diversion (recycling).
- To provide streets asphalt resurfacing program at a competitive rate.
- Increase the collection of silts and other debris to prevent sedimentation.
- Increase use of Compressed Natural Gas (CNG); internally/externally and increase external gasoline and diesel sales.
- Implement projects as funded by the American Recovery and Reinvestment Act (ARRA).

KEY PERFORMANCE OBJECTIVES & MEASURES

- Tons collected per month and year (Municipal solid waste and recycling).
- Number of collection points & number of roll carts in service.
- Number of large item (e.g., chairs, beds, mattresses and springs, sofas) collection requests received.
- Compare municipal solid waste collection and yard waste collection unit costs against other municipalities participating in the Municipal Benchmarking Project.
- Maintain unit costs of asphalt production at rates consistently below private sector competitors.
- Comparatively gauge cost effectiveness of asphalt resurfacing programs against peers in other cities.
- Resurface streets on a "worst first" philosophy through utilization of an accurate pavement condition rating program to ensure that the true priorities are addressed annually through the resurfacing program.
- Decrease the amount of debris that enters Asheville's waterways by increasing the collection of debris deposited on City streets and in City maintained drainage structures before they reach the waterways.
- Measure monthly and yearly CNG, gasoline and diesel use.
- Implement ARRA projects in-house if feasible or via outside entities.

TRANSPORTATION & ENGINEERING

Cathy D. Ball, Director

MISSION: It is the mission of the Transportation & Engineering Department to provide technical, professional, and innovative engineering services of the highest quality to our customers and encourage growth and personal development opportunities for ourselves.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,109,910	1,109,679	971,622	970,955
Fringe Benefits	318,731	354,443	292,333	309,012
Operating Costs	363,438	386,646	331,125	289,220
Capital Outlay	<u>22,583</u>	<u>7,894</u>	<u>4,950</u>	<u>2,000</u>
Total	1,814,662	1,858,662	1,600,030	1,571,187
FTE Positions	28.00	26.63	25.63	24.63
Revenues:				
Intergovernmental	70,778	156,617	33,030	40,000
Charges to Other Funds	472,522	69,324	20,000	5,000
Licenses & Permits	196,229	205,443	175,000	165,000
Miscellaneous	224	1,085	7,000	3,000
Charges for Service	<u>2,300</u>	<u>7,583</u>	<u>5,000</u>	<u>15,000</u>
Subtotal	742,053	440,052	240,030	228,000
General Revenue Support	1,072,609	1,418,610	1,360,000	1,343,187
Total	1,814,662	1,858,662	1,600,030	1,571,187

BUDGET HIGHLIGHTS

- The adopted budget includes the elimination of a Secretary Senior position in Transportation Services.
- Otherwise, the budget reflects a continuation of existing programs and services.

TRANSPORTATION & ENGINEERING

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>City Engineering</u>	1,034,883	1,134,711	875,046	869,171
FTE Positions	18.00	17.00	17.00	17.00

The City Engineering Division provides professional engineering, surveying and other technical services to all City departments. These services include the design and administration of capital improvement projects, all water system record-keeping, review and inspection of all extensions to the water system, water line design, storm drainage design, street paving, public inquiries of water availability, right-of-way research, and flood plain management.

<u>Transportation Services</u>	264,445	229,647	273,636	250,183
FTE Positions	3.00	4.00	3.00	2.00

The Transportation Services Division is responsible for the planning, design, installation, operation, and maintenance of traffic control devices (signs, signals, street markings) throughout the City and on a contract basis with the North Carolina Department of Transportation for state routes within the City. The division also conducts traffic studies and surveys, and reviews major developments and curb cut requests. The division also works with citizens, other departments, and outside agencies on traffic-related issues.

<u>Traffic Signal Maintenance</u>	259,442	190,279	238,461	222,143
FTE Positions	3.00	2.00	2.00	2.00

The Traffic Signal Maintenance Division provides for the safe control and flow of all modes of transportation in the City through the development of standards, high quality customer service, quick response, and careful planning.

<u>Transportation Planning</u>	255,892	304,025	209,312	146,858
FTE Positions	4.00	3.63	3.63	3.63

The Transportation Planning Division provides citywide planning services, including MPO and transit projects.

<u>Transportation Demand Management</u>	0	0	3,575	82,832
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The Transportation Demand Management Division seeks to alter the demand for roadway capacity and increase transportation system efficiency by moving more people in fewer vehicles. A series of strategies are used to decrease the use of the single occupancy vehicle (SOV) and encourage the use of alternatives such as transit, carpooling, vanpooling, bicycling, walking, teleworking and alternative work schedules.

TRANSPORTATION & ENGINEERING

DEPARTMENTAL GOALS

- Perform surveying, design, contract administration and inspection services for all City departments in a timely and economically competitive manner.
- Administer and enforce soil erosion and stormwater ordinances, plan review delegation, and all pertinent permitting processes in accordance with all applicable local, state, and federal requirements.
- Perform traffic engineering services in a professional and timely manner.

KEY PERFORMANCE OBJECTIVES & MEASURES

- Number of notices of violations issued.
- Number of permits reviewed within designated time frame.
- Number of miles of added bike lane enhancements.

Note: Key performance objectives & measures have been revised for FY 2008-09, and staff is currently developing targets.

TRANSIT SERVICES FUND

MISSION: It shall be the mission of the Transit Services division to provide public transportation, within the confines of available resources, in such a manner as to maximize service to all destinations necessary for the benefit and well-being of the citizens of this community. This includes access to health, employment and recreation facilities, as well as to the goods and services necessary for everyday living.

FUND SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	87,507	58,704	131,149	142,091
Fringe Benefits	23,723	17,619	41,050	44,601
Operating Costs	4,174,621	4,666,134	4,720,936	4,932,588
Operating Pass Through	0	73,416	502,135	540,000
Capital Outlay	<u>4,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4,289,875	4,815,873	5,395,260	5,659,280
FTE Positions	2.00	3.00	3.00	3.00
Revenues:				
Operating Revenue	658,914	870,860	796,755	911,000
Miscellaneous	943	0	0	0
Federal/State Grants	2,374,658	2,075,988	1,848,527	2,777,333
Operating Pass Through	0	0	502,125	540,000
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Transfer from Capital Fund	0	0	100,000	0
Motor Vehicle License Fee	<u>308,638</u>	<u>307,352</u>	<u>333,540</u>	<u>310,000</u>
Total	4,637,865	4,777,881	5,395,260	5,659,280

BUDGET HIGHLIGHTS

- The City will receive additional federal funding in both FY 2008-09 and FY 2009-10. This additional funding is not shown in the FY 2008-09 budget, so actual grant revenue will exceed budget in the current year. This additional federal revenue will allow the City to reduce the actual general fund subsidy in the current year, and budget a lower subsidy in FY 2009-10. At this point, it is not certain if the City will receive this higher level of federal support beyond FY 2009-10.
- As mentioned above, the general fund subsidy to the transit services fund will be reduced in the current year. The actual subsidy in the current year is expected to be \$500,000 less than budget. For FY 2009-10, the general fund subsidy is budgeted at \$872,831. It should be noted that the general fund subsidy will likely increase substantially after FY 2009-10 as the federal funding returns to its previous lower level.
- The subsidy from the parking services fund is continued in FY 2009-10 at its existing level.
- Operating costs show a \$211,000 increase primarily due to an increase in the budget for fuel and maintenance of the transit fleet, as well as increased costs associated with servicing the Black Mountain & Weaverville routes. The costs associated with these two routes are fully reimbursed by grant funding.

TRANSIT SERVICES FUND

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	319,613	212,151	343,885	351,373
FTE Positions	2.00	3.00	3.00	3.00

The Administration Division will evaluate and implement strategies and routes necessary to achieve the mission of the department. This division includes the salary, fringe benefits, and operating costs for the Transit Services Director.

<u>Transit Operations</u>	3,970,262	4,603,722	5,051,375	5,307,907
FTE Positions	0.00	0.00	0.00	0.00

The City contracts with a private sector management firm for transit operation services. The Transit Operations Division includes those contract costs, as well as the costs for para-transit service.

KEY PERFORMANCE OBJECTIVES & MEASURES

- Number of passengers per mile.
- Operating cost per mile.

Note: Key performance objectives & measures have been revised for FY 2008-09, and staff is currently developing targets.

PARKING SERVICES FUND

MISSION: The Parking Services Fund is responsible for the operation, maintenance and parking enforcement of City-owned public parking, including parking garages and City employee parking lots. There are three garages with a total of 1,050 spaces, over 700 on-street spaces and more than 200 lot spaces.

FUND SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	353,966	471,383	614,840	702,566
Fringe Benefits	127,650	170,218	213,742	271,152
Operating Costs	545,772	873,481	869,779	1,013,626
Debt Service	603,519	588,590	500,000	500,000
Transfer to Transit Fund	248,116	248,116	248,116	248,116
Capital Outlay	<u>14,500</u>	<u>7,011</u>	<u>653,223</u>	<u>104,240</u>
Total	1,893,523	2,358,799	3,099,700	2,839,700
FTE Positions	17.00	19.00	19.00	19.00
Revenues:				
Garage Revenues	1,293,317	1,226,593	1,417,000	1,115,000
Parking Meters	919,411	992,344	932,000	925,000
Parking Violations	544,407	617,131	579,700	644,700
Parking Lots & Peripheral	109,639	172,231	120,000	105,000
Other	<u>60,247</u>	<u>87,355</u>	<u>51,000</u>	<u>50,000</u>
Total	2,927,021	3,095,654	3,099,700	2,839,700

BUDGET HIGHLIGHTS

- The FY 2009-10 budget includes \$500,000 for a possible debt service payment on the Biltmore Avenue parking deck. The \$500,000 included for debt service in FY 2008-09 will not be needed, and will instead be used for the restoration of Rankin and Wall garages this year.
- The Parking Fund budget also includes \$57,240 to fund signage for the Wayfinding program.
- The FY 2009-10 budget continues the \$248,116 transfer to the Transit Services Fund.
- Approximately \$206,000 in the FY 2009-10 Parking Fund operating budget is set aside to go to fund balance for future parking deck construction costs.
- The current recession has slowed the growth in revenue from the parking garages. As a result, the FY 2009-10 budget for garage revenue shows a \$300,000 decrease compared to the current fiscal year.

PARKING SERVICES FUND

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Parking Garages</u>	1,385,585	1,551,418	1,610,933	1,774,933
FTE Positions	8.50	9.50	9.50	9.50

The Parking Garages Division is responsible for the daily operation and maintenance of the City's three parking garages. This division also handles special event parking operations.

<u>Parking Services</u>	507,938	807,381	1,488,767	1,064,767
FTE Positions	8.50	9.50	9.50	9.50

The Parking Services Division manages and coordinates the operation of all parking facilities except parking garages. This includes on-street parking, meter installation and repair, parking enforcement, administration of parking rules and regulations, and the depositing of all revenues generated from parking operations, including garages.

KEY PERFORMANCE OBJECTIVES & MEASURES

- Number of additional parking spaces added per year: Parking Services added 30 revenue producing metered parking spaces from January - April 2009. This is an increase of 4% to the existing inventory. Additional metered spaces will be added during the next quarter.
- Customer satisfaction: Parking Services provided various parking options to over 165,000 visitors to the three municipal parking garages during January - April 2009. In addition, 269,000 meter hours were consumed by patrons parking on the streets during this period.

STORMWATER UTILITY FUND

MISSION: The Stormwater Fund is responsible for the timely installation, maintenance, repair and revitalization of the storm drainage, catch basins, pipes, etc. within the City's streets and rights-of-way.

FUND SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	930,384	1,055,120	1,464,339	1,470,589
Fringe Benefits	343,161	369,910	467,744	504,294
Operating Costs	754,383	869,568	867,000	864,558
Debt Service	51,251	101,900	150,000	50,000
Capital Outlay	<u>189,978</u>	<u>182,822</u>	<u>355,300</u>	<u>9,777</u>
Total	2,269,157	2,579,320	3,304,383	2,899,218
FTE Positions	30.00	32.00	32.00	31.00
Revenues:				
Charges For Service	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Lease-Purchase Proceeds	6,286	264	280,000	0
Investment Earnings	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total	3,073,936	3,105,942	3,304,383	2,899,218

BUDGET HIGHLIGHTS

- The Utility Billing Specialist position is deleted from the budget. In addition, two positions in the Stormwater Fund have been assigned to work on capital and grant funded projects during FY 2009-10, and their salaries will be charged to those projects.
- The FY 2008-09 budget included \$280,000 from debt proceeds to replace a large piece of stormwater equipment. Since no large equipment is slated for replacement in FY 2009-10, this revenue is removed from the budget.
- Otherwise, the budget reflects a continuation of existing programs & services.

NONDEPARTMENTAL ENVIRONMENT & TRANSPORTATION

BUDGET SUMMARY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Street & Sidewalk Contribution	1,152,300	952,300	952,300	952,300
Transfer to Transit Operations	1,046,596	1,275,565	1,566,197	872,831
Transfer to Transit Capital	0	100,000	0	0
Transfer to Grant Fund	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,238,896	2,327,865	2,518,497	1,825,131

BUDGET HIGHLIGHTS

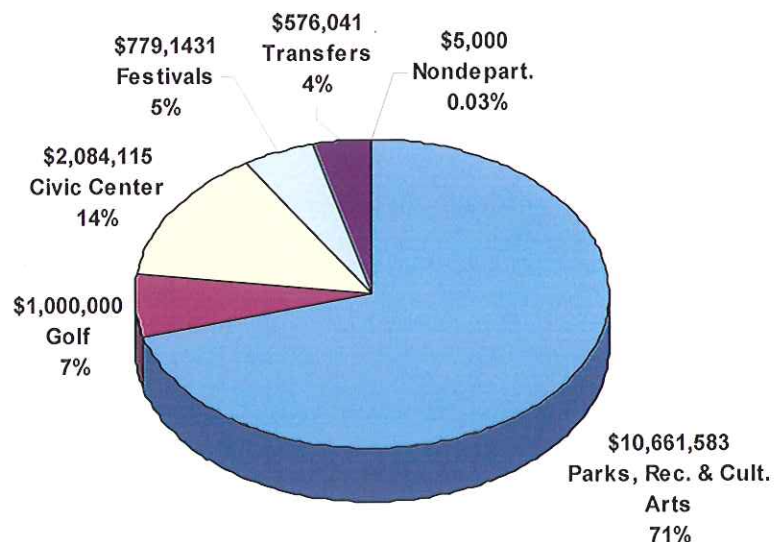
- Funding for the Street & Sidewalk Fund is maintained at the FY 2008-09 level.



CULTURE & RECREATION SUMMARY

BUDGET SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Parks, Recreation & Cultural Arts	8,337,829	8,944,270	9,897,088	10,661,583
Civic Center Fund	1,972,880	2,015,649	2,239,414	2,084,115
Golf Fund	953,622	1,005,496	1,164,701	1,000,000
Festivals Fund	1,310,166	1,179,759	1,107,681	779,143
Interfund Transfers	413,340	685,120	636,365	576,041
Nondepartmental	316,295	14,375	17,500	5,000
Total Expenditures	13,304,132	13,844,669	15,062,749	15,105,882
 FTE Positions	 157.41	 162.03	 161.91	 156.53
Revenues:				
Parks, Recreation & Cultural Arts	1,402,275	1,605,495	1,558,654	1,800,282
Civic Center Fund	1,639,190	1,776,068	1,841,425	1,692,800
Golf Fund	896,252	966,561	1,089,000	1,000,000
Festivals Fund	887,044	808,687	945,006	594,417
 Subtotal	 4,824,761	 5,156,811	 5,434,085	 5,087,499
General Revenue Support	8,078,529	8,723,390	9,628,664	10,018,383
Total Revenues	12,903,290	13,880,201	15,062,749	15,105,882

FY 2009-10 Culture & Recreation Budget by Department



PARKS, RECREATION & CULTURAL ARTS

Roderick Simmons, Director

MISSION: The Parks, Recreation & Cultural Arts Department is dedicated to enhancing your quality of life by providing diverse cultural and recreational experiences.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	4,686,921	4,914,819	5,418,660	5,417,831
Fringe Benefits	1,380,336	1,567,869	1,825,465	1,931,841
Operating Costs	2,391,856	2,548,616	2,785,963	3,446,911
Capital Outlay	16,879	33,195	12,000	0
Cost Transfers	<u>-138,163</u>	<u>-120,229</u>	<u>-145,000</u>	<u>-135,000</u>
Total	8,337,829	8,944,270	9,897,088	10,661,583
FTE Positions	120.91	124.77	123.65	120.65
Revenues:				
Charges for Service	1,321,648	1,410,650	1,370,000	1,572,507
Intergovernmental	15,365	139,907	136,654	173,775
Miscellaneous	51,606	40,858	38,000	40,000
Investment Earnings	<u>13,656</u>	<u>14,080</u>	<u>14,000</u>	<u>14,000</u>
Subtotal	1,402,275	1,605,495	1,558,654	1,800,282
General Revenue Support	6,935,554	7,338,775	8,338,434	8,861,301
Total	8,337,829	8,944,270	9,897,088	10,661,583

BUDGET HIGHLIGHTS

- Three FTE positions are eliminated from the FY 2009-10 Parks and Recreation budget: Superintendent of Specialized Facilities, Assistant Superintendent of Parks Maintenance, and Cemetery Manager.
- The Parks & Recreation operations budget includes \$300,000 for contracted maintenance of the new Pack Square Park. The City expects to receive \$150,000 from Buncombe County to help offset this new cost.
- The Parks and Recreation operations budget also shows a \$130,000 increase due to higher electricity costs for City Hall and other facilities.
- Due to uncertainty in the state budget situation, staff has not budgeted the \$112,000 state grant that is typically received each year to assist with Nature Center costs. Staff will continue to monitor this situation and report back to Council if these funds do indeed become available.
- In April, City Council approved increases in several Parks & Recreation fees as a part of the FY 2009-10 fee package. Among these increases was a \$1 increase in admission fees at the Nature Center, which is expected to produce an additional \$127,000 in revenue.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
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<u>Administration</u>	677,540	868,250	335,941	356,785
FTE Positions	8.00	9.00	2.00	2.00

The Administration Division provides overall leadership and coordination of the department's activities and goals; coordinates department activities with other departments; and is responsible for execution of the Master Plan for the department.

<u>Recreation Programs</u>	2,214,588	2,274,786	2,348,534	2,521,718
FTE Positions	33.02	32.76	30.39	30.39

The Recreation Programs Division oversees all Community Centers and their City-organized activities; provides management of the youth and adult athletics programming; provides recreational programming in the community; and serves special populations including seniors and afterschool.

<u>Athletics</u>	666,587	697,167	659,385	645,745
FTE Positions	5.00	5.00	4.00	4.00

The Athletics Division provides athletic programs for the citizens of and visitors to the Asheville area while being as self-sufficient as possible and providing an economic impact to the community.

<u>Riverside Cemetery</u>	186,460	199,746	215,359	146,480
FTE Positions	2.00	2.00	2.00	1.00

The Riverside Cemetery Division strives to preserve the historical significance of the people buried in Riverside Cemetery and provides for daily burial and landscape service needs.

<u>Cultural Arts</u>	201,465	128,867	378,414	377,309
FTE Positions	1.00	1.00	4.75	4.75

The Cultural Arts Division promotes all aspects of the department's Cultural Arts programming; manages the W.C. Reid Center; oversees permitting of COA events; coordinates City of Asheville Events/Festivals; and manages the City of Asheville's Public Art collection.

<u>Building Maintenance</u>	503,316	519,446	566,655	656,425
FTE Positions	8.00	8.00	8.00	8.00

The Building Maintenance Division is committed to maintaining all City facilities in such a manner that will minimize the impact of facility operations and equipment on the scheduled day-to-day operations.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>After School Program</u>	250,339	294,270	306,022	294,547
FTE Positions	5.26	5.26	4.76	4.76

The Asheville Parks & Recreation Department and the Asheville City Schools, as partners, provide a comprehensive program of supervised recreation and enrichment activities after school and during summers for children ages 5 through 12. The programs are planned and organized to provide social interaction in a safe, supervised environment that will allow youths to develop interests and relationships to meet their individual needs.

<u>Park Maintenance</u>	2,200,689	2,342,008	2,243,647	2,564,681
FTE Positions	36.00	39.00	35.00	33.00

The Park Maintenance Division oversees maintenance of all City of Asheville Parks and Public Facilities; manages the grounds keeping at McCormick Field; and oversees Park Security and safety with the assistance of APD.

<u>City Hall Operations</u>	84,931	174,167	186,292	234,819
FTE Positions	4.63	5.00	5.00	5.00

The City Hall Operations staff strives to provide the highest quality of service to all employees and visitors to the City Hall building.

<u>Aston Park</u>	210,598	223,737	233,353	254,698
FTE Positions	2.00	2.00	2.00	2.00

The City assumed operation of the Aston Park & Tennis Center from Buncombe County during the 2004-05 fiscal year.

<u>Planning</u>	0	0	188,547	191,025
FTE Positions	0.00	0.00	2.00	2.00

The Parks Planning and Development Division manifests vision for all park projects; provides site planning and detailed project plans; and manages the contracting process for construction projects.

<u>Specialized Facilities</u>	0	0	167,187	80,077
FTE Positions	0.00	0.00	2.00	1.00

The Specialized Facilities Division provides management and/or oversight of: McCormick Field, Municipal Golf Course, WNC Nature Center, Swimming Pools, Riverside Cemetery, Food Lion Skate Park, and Aston Park Tennis Center.

PARKS, RECREATION & CULTURAL ARTS

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Business Services</u>	0	0	440,459	626,088
FTE Positions	0.00	0.00	5.00	6.00
The Business Services Division provides business planning and strategic planning expertise; provides "back of house" operational support for the department; and oversees marketing, communications and media relations.				
<u>Swimming Pools</u>	0	0	246,828	255,076
FTE Positions	0.00	0.00	0.00	0.00
<u>Food Lion Skate Park</u>	0	0	97,722	109,154
FTE Positions	0.00	0.00	1.00	1.00
<u>Nature Center</u>	857,538	964,068	1,073,242	1,118,559
FTE Positions	15.00	14.75	14.75	14.75
<u>McCormick Field</u>	195,382	175,988	209,501	228,397
FTE Positions	1.00	1.00	1.00	1.00
<u>Recreation Park</u>	88,396	81,770	0	0
FTE Positions	0.00	0.00	0.00	0.00

DEPARTMENTAL GOALS

- Improving the conditions of aging community facilities.
- Increase the amount of linear feet of paved greenways in the city.
- Improve the maintenance condition of the Urban Trail.
- Provide quality community-based park planning, including open space preservation.
- Provide quality recreation programs, especially for our youths and children, while encouraging innovation and creativity.
- Encourage an open dialogue with our citizens in order to make sure that we are striving to meet their needs.

PARKS, RECREATION & CULTURAL ARTS

KEY PERFORMANCE OBJECTIVES & MEASURES

- Complete the development of the French Board River Corridor Connector by linking 0.6 miles of existing trails to the west and 0.35 miles of existing trails to the east, which will increase the number of paved trail miles by 1.
- Complete the development of the Hominy Creek Greenway which will increase the number of paved trail miles by 1.6.
- Complete the development of the Reed Creek Greenway Phase II which will increase the number of paved trail miles by 1.
- Percent of Maintenance Assessment plan accomplished.
- Percent of capital spending plan accomplished (**Target 2009 – 100%**).
- Percent of in-house managed projects completed within approved budget (**Target 2009 – 100%**).
- Percent of in-house managed projects within approved timeline (**Target 2009 – 100%**).
- Number of preserved open space acres per 1,000 population (**Target 2009 – 55 acres**).
- The percentage of survey respondents rating the preservation of open space by the City as good or excellent (**Target 2009 – 60%**).
- Number of tracts of land under option for purchase or acquired for parkland (**Target 2008 – 10 acres**).
- Number of community-based park planning projects (**Target 2009 – 2 projects**).
- The percentage of survey respondents rating department programming and their environment as good or excellent (**Target 2009 – 70%**).
- Number of community programs offered by the department (**Target 2009 – 50 programs**).
- Fiscal year number of program hours (**Target 2009 – 5,000 hours**).
- Total number of program participation (**Target 2009 – 20,000**).

CIVIC CENTER FUND

Sherman Bass, Director

MISSION: The mission of the Asheville Civic Center is to foster exceptional experiences for patrons and promoters in the heart of Asheville.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	809,055	819,944	910,444	916,867
Fringe Benefits	233,074	228,327	294,843	299,296
Operating Costs	930,751	967,378	1,026,992	860,952
Capital Outlay	<u>0</u>	<u>0</u>	<u>7,135</u>	<u>7,000</u>
Total	1,972,880	2,015,649	2,239,414	2,084,115
FTE Positions	17.00	17.51	17.51	17.13
Revenues*:				
Food & Beverage Sales	588,432	587,776	723,580	607,300
Rent	571,361	567,305	618,595	530,750
Admissions & Other Sales	319,339	442,774	373,850	410,350
Capital Maintenance Fee	71,511	70,946	66,900	70,900
Investment Earnings	83,723	105,245	55,000	70,000
Other	<u>4,824</u>	<u>2,022</u>	<u>3,500</u>	<u>3,500</u>
Subtotal Operations	1,639,190	1,776,068	1,841,425	1,692,800
General Fund Subsidy	413,340	431,198	397,989	391,315
Total	2,052,530	2,207,266	2,239,414	2,084,115

*A portion of the Parking Fund revenue collected at the Civic Center parking garage is directly related to special events held at the Civic Center.

BUDGET HIGHLIGHTS

- A part-time Office Assistant position is eliminated from the budget.
- As a part of the FY 2009-10 budget, public skating and hockey programs at the Civic Center will be discontinued. Elimination of these programs will reduce revenue by approximately \$109,000, but the offsetting cost reductions will be \$156,000; resulting a positive net financial impact of almost \$50,000. In addition, the current ice chiller needs major repair work, which could cost up to \$150,000 in future years. It should be noted that the Civic Center Commission voted in support of staff's recommendation.
- By eliminating the part-time position and the ice programs, staff was able to keep the FY 2009-10 general fund subsidy to the Civic Center at a level similar to the FY 2008-09 subsidy.

CIVIC CENTER FUND

DEPARTMENTAL GOALS

"Exceptional Experiences Through Superior Service"

- Continue to operate the Civic Center with minimal subsidy from the general fund for annual operating expenses and small capital equipment.
- Continue to improve the customer experience through superior service.
- Continue to invest in capital projects that will improve customers' experiences and improve operational efficiency.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<i>2007/08</i> <u>Actual</u>	<i>2008/09</i> <u>Estimate</u>	<i>2009/10</i> <u>Target</u>
• General fund subsidy as a % of total Civic Center Fund revenue.	19.5%	19.0%	18.8%

FESTIVALS FUND

MISSION: The mission of the Festivals Fund is to produce quality celebrations which highlight cultural diversity, enhance community pride, foster tourism, and contribute to the long-term economic benefit of the Asheville area.

FUND SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	176,744	164,959	124,491	133,526
Fringe Benefits	50,227	58,406	39,420	42,849
Operating Costs	1,083,195	956,394	943,770	602,768
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,310,166	1,179,759	1,107,681	779,143
FTE Positions	4.50	4.75	4.75	4.75
Revenues:				
Sponsorships	263,298	269,179	308,266	273,917
Beverages	221,288	208,512	281,290	156,500
Vendor Fees & Booths	174,841	191,064	191,000	112,000
Souvenirs	35,325	34,421	41,000	21,300
Tickets/Events	169,791	80,588	101,000	30,000
Other	<u>22,501</u>	<u>24,923</u>	<u>22,450</u>	<u>700</u>
Subtotal Operations	887,044	808,687	945,006	594,417
General Fund Subsidy	0	253,922	162,675	184,726
Total	887,044	1,062,609	1,107,681	779,143

BUDGET HIGHLIGHTS

- The budget for the Festivals Fund shows a 30% decrease in FY 2009-10. In an effort to lower festival-related expenses, the overall footprint for the Bele Chere festival will be reduced in 2009. In addition, there will be no ticketed event at the 2009 Bele Chere.
- The recession is also expected to impact Festival Fund revenues in FY 2009-10. Attendance is expected to be down, and staff is also expecting to receive less sponsorship revenue.
- A general fund subsidy of \$184,726 is included to support the costs of the Festivals staff.

FESTIVALS FUND

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Administration</u>	228,733	223,365	164,825	185,289
FTE Positions	4.50	4.75	4.75	4.75
<u>Bele Chere</u>	935,774	824,673	846,436	500,054
<u>First Night</u>	24,676	4,345	0	0
<u>4th of July</u>	26,454	35,413	8,420	26,400
<u>Film Festival</u>	94,529	91,963	88,000	67,400

KEY PERFORMANCE OBJECTIVES & MEASURES

	2007/08 <u>Actual</u>	2008/09 <u>Estimate</u>	2009/10 <u>Target</u>
• Cost Recovery for Festivals Fund.	68.5%	70.0%	76.0%

GOLF FUND

FUND SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	435,721	450,692	507,274	443,137
Fringe Benefits	142,898	135,875	174,127	146,423
Operating Costs	375,003	418,929	483,300	410,440
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	953,622	1,005,496	1,164,701	1,000,000
FTE Positions	14.00	14.00	14.00	11.00
Revenues:				
Pro Shop Sales	44,363	42,319	58,000	30,000
Membership Fees	164,891	191,482	206,000	180,000
Snack Bar	71,914	73,543	80,000	80,000
Equipment Rental	258,377	272,775	275,000	275,000
Green Fees	354,492	381,270	470,000	435,000
Other	<u>2,215</u>	<u>5,172</u>	<u>0</u>	<u>0</u>
Subtotal Operations	896,252	966,561	1,089,000	1,000,000
General Fund Subsidy	0	0	75,701	0
Total	896,252	966,561	1,164,701	1,000,000

BUDGET HIGHLIGHTS

- Parks staff completed a restructuring of the Golf Course operations that resulted in the elimination of three FTE positions: a Laborer, a Tradesworker, and the Snack Bar Manager. By eliminating these positions and streamlining operations in other areas, staff was able to balance the FY 2009-10 golf fund budget with no subsidy from the general fund.

NONDEPARTMENTAL CULTURE & RECREATION

Outside agency and nondepartmental culture & recreation funding for FY 2009-10 includes the following:

BUDGET SUMMARY

Expenditures:	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Summer Youth Program	67,705	0	0	0
Asheville Area Arts Council	10,000	9,375	12,500	0
Asheville Art Museum	5,000	5,000	5,000	5,000
Transfer to Capital Funds	<u>233,590</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	316,295	14,375	17,500	5,000

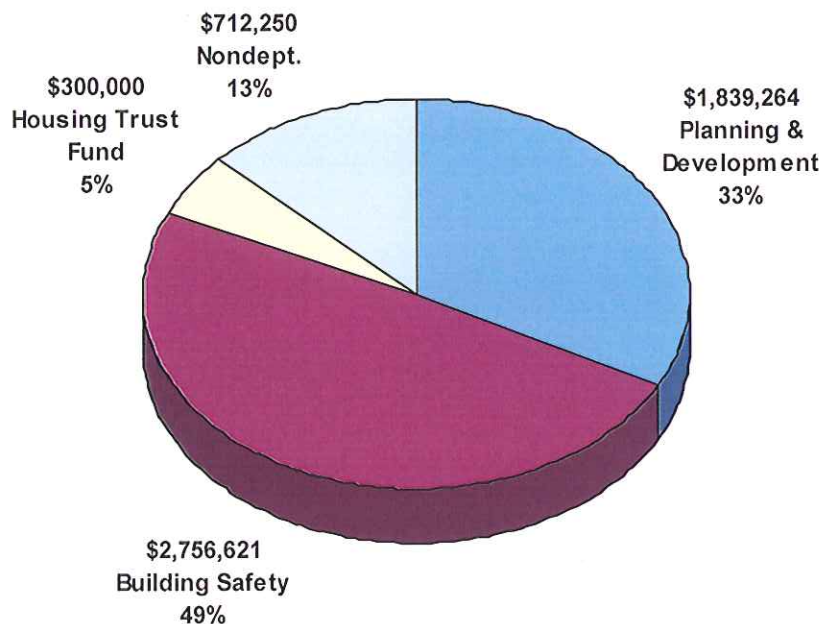
BUDGET HIGHLIGHTS

- \$5,000 in funding was awarded to the Asheville Art Museum through the outside agency process.

COMMUNITY DEVELOPMENT SUMMARY

BUDGET SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Planning & Development	1,509,865	1,745,332	1,880,568	1,839,264
Building Safety	2,084,331	2,795,629	2,595,832	2,756,621
Housing Trust Fund	600,000	600,000	600,000	300,000
Nondepartmental	176,575	213,491	326,350	712,250
Total Expenditures	4,370,771	5,354,452	5,402,750	5,608,135
FTE Positions	68.00	71.00	71.00	68.75
Revenues:				
Planning & Development	274,742	346,036	332,050	339,900
Building Safety	2,659,133	2,793,652	2,633,550	2,648,900
Subtotal	2,933,875	3,139,688	2,965,600	2,988,800
General Revenue Support	1,436,896	2,214,764	2,474,868	2,619,335
Total Revenues	4,370,771	5,354,452	5,440,468	5,608,135

FY 2009-10 Community Development Budget by Department



PLANNING & DEVELOPMENT

Judy Daniel, Director

MISSION: The mission of the Asheville Planning & Development Department is to encourage sound physical and economic development through community involvement and valuing our resources (historic, natural, housing, etc.) and by providing quality service, information and assistance.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,078,443	1,155,639	1,307,547	1,255,235
Fringe Benefits	295,091	351,551	394,181	396,166
Operating Costs	126,885	236,900	178,840	187,863
Capital Outlay	<u>9,446</u>	<u>1,242</u>	<u>0</u>	<u>0</u>
Total	1,509,865	1,745,332	1,880,568	1,839,264
FTE Positions	25.00	26.00	26.00	23.75
Revenues:				
Charges for Service	251,403	278,117	233,250	251,000
Licenses & Permits	20,989	49,677	34,000	39,000
Intergovernmental	0	14,742	60,000	48,000
Miscellaneous	<u>2,350</u>	<u>3,500</u>	<u>4,800</u>	<u>1,900</u>
Subtotal	274,742	346,036	332,050	339,900
General Revenue Support	1,235,123	1,399,296	1,548,518	1,499,364
Total	1,509,865	1,745,332	1,880,568	1,839,264

BUDGET HIGHLIGHTS

- With the slowdown in development activity brought on by the recession, staffing levels in the Planning & Development Department were able to be reduced. The FY 2009-10 budget includes the elimination of a Development Review Specialist, a Planning & Zoning Technician, and an Urban Planner I position. These staffing changes resulted in an overall decrease of 2.25 FTE positions in the Planning & Development Department.
- Otherwise, the budget represents a continuation of existing programs & services.

PLANNING & DEVELOPMENT

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Planning Services</u>	1,417,836	1,614,507	1,657,273	1,604,503
FTE Positions	24.00	24.00	23.00	20.75

The Planning Services Division conducts current and long-range planning. Planners are responsible for reviewing plans for development and redevelopment in the City's jurisdiction to ensure conformance with sound planning principles and City regulations, and for revising the City development guidelines as necessary. This division is also responsible for all comprehensive and small area plans and related matters. This division provides assistance to the Planning and Zoning Commission, the Board of Adjustment, the River District Design Review Board, and the Technical Review Committee. The primary focus of the code enforcement section is to enforce City of Asheville's codes, policies, & procedures which relate to land development. These activities include flood plain, zoning, sign and other ordinances. This division is also involved in enforcement of the junked car ordinance and the noise ordinance.

<u>City Development</u>	11,725	0	0	0
FTE Positions	0.00	0.00	0.00	0.00

The City Development Division has been merged with the Economic Development division in the General Administration department.

<u>Historic Resources</u>	80,304	89,045	142,540	150,748
FTE Positions	1.00	1.00	2.00	2.00

The Historic Resources Division provides assistance to the Historic Resources Commission in its efforts to protect and preserve the architectural history of Asheville.

<u>Homeless Program</u>	0	41,780	80,755	84,013
FTE Positions	0.00	1.00	1.00	1.00

DEPARTMENTAL GOALS

- Improve the quality of life in Asheville by working with citizens, community organizations and developers to identify guidelines for growth and to establish and enforce sound standards for development.
- Preserve the natural and built environment of the City of Asheville while accommodating new growth and development.
- Provide timely and accurate review and permitting of land development projects.
- Provide thorough, effective, and timely code enforcement services and assistance.
- Promote a range of housing options for residents of Asheville by providing opportunities for the development of different housing types.
- Improve the economic climate through support of community and economic development activities.
- Encourage sustainable development and promote redevelopment in accordance with the City's Smart Growth Policies.

PLANNING & DEVELOPMENT

DEPARTMENTAL GOALS (Cont.)

- Preserve and protect the historic, cultural and architectural resources of the City and help educate the community about the importance of preservation to the planning process.
- Improve collection, coordination and dissemination of data in order to end homelessness in Asheville and Buncombe County.

KEY PERFORMANCE OBJECTIVES & MEASURES

OBJECTIVES & PERFORMANCE MEASURES

KEY: NA=not applicable

Strategic Vision Priority Areas	2007/08 <u>Actual</u>	2008/09 <u>Estimate</u>	2009/10 <u>Target</u>
Planning Services			
• Improve customer access to accurate information – perform monthly updates	70%	75%	80%
• Develop, present and complete 100% of key UDO amendments in FY 07/09 and FY 09/10	80%	80%	80%
• Maintain timeliness of reviews – number of applications reviewed within the specified time period	90%	90%	95%
Growth Management			
• Maintain Annexation Program – maintain previous year's growth	80%	100%	100%
• Develop, update, adopt neighborhood plans and small area plans	1-initiated (not adopted)	1-adopted 1-initiated	1-adopted 1-initiated
Zoning Code Enforcement	60%	70%	80%
• Complaints investigated within 24 hours			
• Cases closed within 30 days	65%	75%	85%
Historic Resources			
• Extend protection of resources – Local landmarks designated	1	1	1
National Register properties reviewed	3	2	2
Certificates of Appropriateness issued	193	190	190

COMMUNITY DEVELOPMENT & HOME FUNDS

MISSION: The mission of the Planning Department's Community Development Division is to improve the City's housing and economic environment, especially for low income residents, through programs designed to provide home-ownership opportunities, high quality rental housing, job creation, improved public facilities, and needed public services.

BUDGET SUMMARY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Revenues & Expenditures:				
Community Development Fund	1,939,291	1,699,390	1,379,999	1,503,557
HOME Fund	1,671,933	1,252,848	1,358,938	1,462,387
FHAP Federal Grant	96,640	48,100	100,000	100,000
Section 108 Loan Repayments	<u>223,534</u>	<u>85,941</u>	<u>84,000</u>	<u>67,150</u>
Total	3,931,398	3,086,279	2,922,937	3,133,094
FTE Positions	6.00	6.00	6.00	6.00

BUDGET HIGHLIGHTS

- The Community Development Division is responsible for:
 - Administration of the following federal grant programs: Community Development Block Grant (CDBG), Home Investments Partnership Act Program (HOME), American Dream Downpayment Initiative (ADDI), Fair Housing Assistance Program (FHAP), and one federally guaranteed Section 108 Loans;
 - Administration of the City's Housing Trust Fund;
 - Administration of the City's Fee Rebate program for affordable housing;
 - Oversight of the City's Homeless Initiative (since FY 2008)
 - Planning, resource development and technical assistance for other housing and community development programs;
- This summary of the Community Development Fund is included for information purposes only. The Community Development Fund is a continuing balance fund and is not part of the City's annual operating budget.
- CDBG funds can be used for a wide range of activities within the City of Asheville, including housing rehabilitation, economic development, public improvements and social services. No more than 20% of the budget may be spent on administrative costs.
- HOME funds must be used to develop or preserve affordable housing and may be used anywhere within the area covered by the Asheville Regional Housing Consortium, that is Buncombe, Henderson, Madison and Transylvania Counties. No more than 10% of grant funds may be used for administration.
- ADDI funds are HOME funds that must be used only for down-payment assistance for low-income homebuyers.
- FHAP funds are used to provide education and outreach on Fair Housing issues and to investigate complaints of unlawful discrimination.

COMMUNITY DEVELOPMENT FUND

COMMUNITY DEVELOPMENT GOALS

- Maximize federal funding for programs.
- Implement the 2005-2010 Strategic Plan, and the City's Strategic Operating Plan as it relates to affordable housing issues.
- Administer grants in compliance with regulations.
- Increase production of housing for low-income households.
- Provide support to other effective programs in the community that serve low-income residents.

KEY PERFORMANCE OBJECTIVES & MEASURES

	<u>2007/08</u> <u>Actual</u>	<u>2008/09</u> <u>Estimate</u>	<u>2009-10</u> <u>Target</u>
• Number of applications submitted for federal or state grant funds.	4	6	3
• Percent of original target	100%	150%	
• Number of housing units produced with assistance from:			
o CDBG	420	74	79
o HOME	164	136	260
o Fee Rebates only	1	37	10
Unduplicated Total:	585	247	349
• Percent of original target	92%	81%	
• Reduce the number of Chronically Homeless as measured in January point-in-time count	181	115	96
• Percent of original target	100%	77%	

Notes:

1. Grant applications increased in 2008-09 because of applications for federal stimulus programs.
2. Housing "production" includes new construction, rehabilitation & repair, relocation, rent assistance, and direct assistance to homebuyers. Each unit represents a household with improved housing conditions due to the use of these funds.
3. Units generated through use of Housing Trust Funds are not counted here (see Housing Trust Revolving Fund).
4. The unusually high CDBG production in 2007-08 was due to two improvement projects in public housing communities, each of which impacted a large number of units for a relatively small outlay.

HOUSING TRUST REVOLVING FUND

The Housing Trust Revolving Fund provides resources to increase the supply of affordable housing in the City of Asheville. The Fund's activities are administered by the Planning & Development Department's Community Development Division.

BUDGET SUMMARY	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
General Fund Contribution	600,000	600,000	600,000	300,000

BUDGET HIGHLIGHTS

- Due to budget constraints, the general fund contribution to the Housing Trust Fund was reduced to \$300,000 in FY 2009-10. During 2009-10 the Community Development Division expects to administer 37 existing loans and add approximately three new loans to the portfolio. The cost of staff to administer the fund (0.75 FTE) is largely covered from interest payments.

KEY PERFORMANCE OBJECTIVES & MEASURES

	2007-08	2008-09	2009-10
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>
<i>Number of homes completed with assistance from Housing Trust Fund</i>	132	77	90
<i>Maintain the value of the Fund over time:</i>			
Total appropriations to date	4,300,000	4,900,000	5,200,000
Year end fund value	4,269,000	4,854,000	5,154,000

BUILDING SAFETY

Robert Griffin, Director

MISSION: The mission of the Asheville Building Safety Department is to protect lives, health, and property in Asheville, and to support economic development by providing building and development permitting services and enforcing the North Carolina State Building Code, Asheville's Minimum Housing Code, and related environmental codes.

DEPARTMENT SUMMARY

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	1,491,575	1,693,701	1,815,766	1,906,954
Fringe Benefits	410,072	519,709	560,007	609,192
Operating Costs	165,472	582,219	215,059	232,675
Capital Outlay	<u>17,212</u>	<u>0</u>	<u>0</u>	<u>7,800</u>
Total	2,084,331	2,795,629	2,595,832	2,756,621
FTE Positions	37.00	39.00	39.00	39.00
Revenues:				
Licenses & Permits	2,643,955	2,774,887	2,623,550	2,624,400
Charges for Service	15,178	18,468	10,000	10,000
Miscellaneous	<u>0</u>	<u>297</u>	<u>0</u>	<u>14,500</u>
Subtotal	2,659,133	2,793,652	2,633,550	2,648,900
General Revenue Support	0	1,977	0	107,721
Total	2,084,331	2,795,629	2,595,832	2,756,621

BUDGET HIGHLIGHTS

- The FY 2009-10 Building Safety budget represents a continuation of existing programs & services.

BUILDING SAFETY

DIVISION SUMMARY	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Permitting & Inspections</u>	2,084,331	2,795,629	2,595,832	2,756,621
FTE Positions	37.00	39.00	39.00	39.00

The purpose of the Permitting and Inspections Division is to provide for a One Stop Permit Center, the enforcement of the State Building Code, City Housing Code and related environmental/safety codes. The division processes permits, conducts plan reviews, and inspects structures under renovation, construction, or change of occupancy. Upon the completion of final inspections, either certificates of occupancy confirming compliance with the state codes, or housing certificates confirming compliance with the local housing code are issued.

DEPARTMENTAL GOALS

- To provide effective and timely NC State Building Code enforcement through inspection of new construction, repairs, remodels, or rehabilitation.
- To provide a one-stop development and permit information center to assist the public in the permitting and approval of all development and construction projects.
- To provide effective and timely plan review services through the review of plans submitted for permitting.
- To provide continuing education opportunities for code enforcement officers, contractors, designers, and realtors.
- To provide fee rebates supporting environmental and sustainable construction.
- To provide all building code enforcement, plan review, and development services center activities through user fees and charges for building permits, inspections, and plan reviews.

KEY PERFORMANCE OBJECTIVES & MEASURES

	2007/08 <u>Actual</u>	2008/09 <u>Estimate</u>	2009/10 <u>Target</u>
• Complete 100% of inspections within 24 hours of request	95%	96%	98%
• Reduce inspection disapprovals to 10% of completed inspections	12%	11%	10%
• Eliminate substandard structures in the City through demolition	10	30	10

BUILDING SAFETY

KEY PERFORMANCE OBJECTIVES & MEASURES (Cont.)

	<i>2007/08</i> <u>Actual</u>	<i>2008/09</i> <u>Estimate</u>	<i>2009/10</i> <u>Target</u>
• <i>Complete initial reviews of:</i>			
<i>Residential plans within 5 days</i>	9.66	5	5
<i>Small commercial plans within 5 days</i>	10.39	6	10
<i>Large commercial plans within 25 days</i>	65.42	30	25
• <i>Maximize the percentage of operating costs recovered through departmentally-generated revenue</i>	112%	106%	95%
• <i>Complete application processing in Development Services Center within 1 working day</i>	2	1.5	1
• <i>Presentations to realtors, developers, and home owner associations on the Minimum Housing Code</i>	10	15	10
• <i>Hours spent on plan approvals that utilized the express approval program</i>	65	75	75
• <i>Deliver 12 education sessions for code enforcement officers, contractors and designers on building codes</i>	15	14	15

NONDEPARTMENTAL COMMUNITY DEVELOPMENT

The City provides funding to outside agencies for the purpose of promoting community and economic development in the City of Asheville. The City also supports community and economic development through nondepartmental activities, such as the Economic Incentives program. Outside agency and nondepartmental funding includes the following:

BUDGET SUMMARY

Expenditures:	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Community Relations Council	50,000	50,000	50,000	50,000
Visitors Center	50,000	50,000	0	0
One Youth at a Time	7,625	7,000	7,000	7,000
YWCA	7,500	10,000	10,000	10,000
Education Coalition	10,000	7,500	0	0
Kids Voting	1,000	500	1,000	1,000
Caring for Children	1,250	0	0	0
Mediation Center	7,500	0	0	0
Children First	15,000	24,736	22,500	22,500
United Way 211	5,000	2,500	5,000	5,000
Economic Incentives	6,200	6,500	132,850	506,250
AHOPE	0	24,160	20,000	20,000
Sister Cities	500	0	0	0
Partners Unlimited	5,000	5,000	0	0
Asheville Greenworks	10,000	10,000	10,000	10,000
Economic Development Coalition	0	0	50,000	50,000
Media Arts Project	0	1,500	0	0
Meet the Geeks	0	3,000	3,000	3,000
Youthful Hand	0	5,000	5,000	5,000
Shiloh Community Association	0	6,095	0	0
Each One Reach One	0	0	10,000	0
Center for Diversity Education	0	0	0	1,200
Child Abuse Prevention Services	0	0	0	6,000
Asheville Design Center	0	0	0	5,000
Hall Fletcher PTO	0	0	0	5,000
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,300</u>
Total	176,575	213,491	326,350	712,250

BUDGET HIGHLIGHTS

- The FY 2009-10 budget for economic incentive payments includes the \$450,000 payment to the Biltmore Town Center based on its voluntary annexation agreement.



CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

Capital Budget Process

The Capital Improvement Program (CIP) is a six-year financing plan for infrastructure improvements, facility construction and improvement, and equipment acquisition. The City's emphasis on long-range capital improvement planning focuses attention on the current and future needs of the community and on balancing those needs with the City's fiscal resources.

The CIP is updated annually based on input from City Council, the public and City staff. The FY 2009-10 CIP is influenced by a number of other planning processes, including the City's long-range Strategic Operating Plan, the Unified Development Ordinance, the Parks & Recreation Master Plan, the Pedestrian Thoroughfare Plan, and the Parking Study.

The annual capital budget process begins in December, about one month before departments begin work on their operating budgets. Departments submit a list of CIP requests to the Budget & Research Office in mid January. Budget & Research then reviews all requests, including projects that had been tentatively scheduled in previous years' CIPs, and makes recommendations to the City Manager and the management team. Following the City Manager's review, the CIP is then submitted to the City Council for approval along with the City's annual operating budget. Approval of the CIP commits the City to the first year of capital projects.

In order to be included in the CIP, a capital item or construction project must have a useful life of more than one year and an initial cost of at least \$25,000. All capital items not meeting these criteria are included in the annual operating budget as capital outlay. The one exception to this rule is vehicles. All vehicle purchases, regardless of price, are included in the CIP.

General Capital Reserve Fund

The General Capital Reserve Fund provides funding for all general government capital needs. FY 2009-10 funding is provided by an \$8,367,222 pay-as-you-go contribution from the General Fund, \$2,076,000 in debt proceeds, and \$534,000 in savings from prior year CIP projects. Major departmental itemized requests are displayed as approved.

Civic Center Capital Fund

The Civic Center Capital Fund includes a \$250,000 transfer from the General fund to fund building maintenance and improvement projects.

Water Resources Fund

CIP items and projects in the Water Resources Operating & Capital Improvement Funds are funded with utility revenues generated by the Water Resources Operating Fund and the capital improvements fee. The FY 2009-10 budget includes \$5.6 million in capital improvement projects. In addition, \$701,000 is budgeted in FY 2009-10 to replace capital equipment.

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

SUMMARY OF MAJOR GENERAL CAPITAL PROJECTS

- The adopted CIP includes \$1.87 million to fund sewer projects for the Sardis Road and Airport Road annexation areas. Council budgeted \$180,000 in FY 2007-08 for initial design work on the Sardis Road sewer. To complete installation of the sewer, the FY 2009-10 includes an additional \$1,620,000 in funding. The full cost of the Airport Road sewer project, including both design and installation, is budgeted at \$250,000. The City has \$534,000 in savings available from previous annexation sewer projects which can be used to fund a portion of the \$1.87 million cost for the Sardis and Airport Road projects. The City will borrow funds to cover the remaining \$1.33 million needed for these projects.
- The adopted CIP includes \$752,000 in funding for vehicle replacement, which is a sharp decline from funding levels in recent years. All of this funding will go toward the replacement of vehicles in the Fire and Rescue, Police, and Public Works Departments, including the replacement of one \$240,000 auto-loader garbage truck, which will be financed with debt proceeds.
- The technology improvements category includes \$335,000 of which \$135,000 will go toward the ongoing replacement of public safety radios. The remaining \$200,000 will be used to fund technology improvements to aid the development review process. The funding for these improvements will come from the development review technology fee that Council approved in April 2008.
- The facility & equipment maintenance category includes \$568,000. Of this amount, \$275,000 will be used for ongoing City-wide general building needs. Another \$125,000 will go to enhance security at City-owned facilities. \$110,000 is included to replace three 18-year old generators that service the City's radio tower sites. The facility & equipment maintenance category also includes \$58,000 to replace old equipment used in the production of programming for the City's government television. Funding for this item comes from the PEG revenue that is received as a part of the video (former cable franchise) services taxes collected by the state and shared with municipalities.
- Due to budget constraints, the capital funding for the Civic Center is reduced from \$400,000 to \$250,000.
- The CIP includes an ongoing contribution of \$952,300 to the Street & Sidewalk Fund for maintenance & repair of existing streets & sidewalks.
- The CIP includes \$250,000 in funding for the final payment on the Beaucatcher Overlook Park land. The City has applied for a PARTF grant to help defer the cost of the Overlook land purchase, but will likely not know the outcome of the grant application process prior to July 1. Staff will return to Council and amend the budget if the grant application is successful.
- The Parks & Recreation CIP includes \$535,000 in funding. \$35,000 will go to meet the City's contractual obligation to provide annual funding for McCormick Stadium maintenance and repairs. \$300,000 is budgeted to complete the replacement of the irrigation system at the Municipal Golf Course. Replacement of the irrigation system on the front nine at the golf course was funded in FY 2007-08. This additional funding will allow for replacement of the system on the back nine, which currently does not meet state regulations for backflow prevention. Completion of these improvements will keep the golf course in compliance with water protection regulations. The Parks CIP also includes \$200,000 for improvements at the Walton Street pool. The current pool has major structural problems, including water leakage which is costing the City money. Both of these projects will be financed along with the debt issuance for the sewer projects.
- The CIP includes an additional \$35,000 for traffic safety projects. This funding will be added to the money that Council approved midway through FY 2008-09, which will provide a total of \$100,000 for traffic safety projects in FY 2009-10.

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

An important aspect of capital improvement planning is the effect that capital projects have upon the annual operating budget. Most CIP projects in the City of Asheville are funded through annual operating funds, such as the General Fund and the Water Resources Fund. In these instances, the Capital Improvement Program (CIP) and the annual operating budget are directly linked since these projects receive authorization with the adoption of the annual operating budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses.

In addition, some completed CIP projects will impact the operating budget through ongoing expenses for staffing and operations. For example, when a new fire station or recreation center is built, the costs of maintaining and staffing the new facility must be funded in the operating budget. Advance knowledge of these costs aids in the budgeting process. Some CIP projects, such as new parking decks, may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses.

The estimated impact of the capital improvement budget on the annual operating budget in FY 2009-10 is \$22.85 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, and pay-as-you-go financing of current year projects. The table below summarizes the total impact of the capital budget on the FY 2009-10 operating budget.

Total Impact of Capital Budget on FY 2009-10 Operating Budget	
General Fund CIP Transfer	8,367,222
Water Resources Fund CIP Transfer	6,298,735
Water Resources Fund Debt Service	7,637,399
Stormwater Fund Debt Service	50,000
Parking Services Fund Debt Service	<u>500,000</u>
Total	22,853,356

None of the capital projects approved in the FY 2009-10 budget are expected to add costs to the City's operating budget in future years. For the two sewer projects, once installation of the lines is complete, the City will turn over the maintenance of the lines to the Metropolitan Sewerage District (MSD) so the City will incur no ongoing costs from these projects. Two of the projects approved in the FY 2009-10 CIP – the Walton Street pool improvements and the golf course irrigation system replacement – are expected to generate costs savings in future years by reducing water usage at both facilities.

CAPITAL IMPROVEMENT PROGRAM 2009/10 TO 2013/14

GENERAL CAPITAL RESERVE FUND SUMMARY

Revenue Sources:

	Budget	Adopted	PLANNING YEARS			
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund Transfer	8,190,622	8,367,222	8,614,666	9,183,822	9,720,871	10,073,335
Land Sale Proceeds	1,150,000	0	0	0	0	0
Debt Proceeds	2,128,600	2,076,000	3,500,000	3,500,000	2,500,000	2,500,000
Grant Funding	40,000	0	0	0	0	0
Sewer Project Savings	0	534,000	0	0	0	0
Total Available Funds	11,509,222	10,977,222	12,114,666	12,683,822	12,220,871	12,573,335

Use of Funds:

	Budget	Adopted	PLANNING YEARS			
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Debt Service	5,709,822	5,429,922	5,636,238	4,797,144	4,806,469	3,946,477
Fleet Replacement	1,833,600	752,000	1,750,000	1,722,762	1,800,000	2,575,000
Facility & Equipment Maintenance	473,000	568,000	638,000	1,083,046	1,040,107	1,073,821
Technology Improvements	535,000	335,000	1,840,000	1,892,000	1,950,000	787,000
Parks & Recreation	455,500	535,000	760,000	1,635,000	1,060,000	1,785,000
Land Purchases	1,150,000	250,000	0	0	0	0
Civic Center	400,000	250,000	400,000	400,000	400,000	400,000
Streets & Sidewalks	952,300	952,300	952,300	1,037,669	1,010,295	1,839,000
Traffic & Pedestrian Improvements	0	35,000	138,128	116,200	154,000	167,037
Sewer Projects	0	1,870,000	0	0	0	0
Total Use of Funds	11,509,222	10,977,222	12,114,666	12,683,822	12,220,871	12,573,335

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	2009/10	2010/11	2011/12	2012/13	2013/14
<u>Fleet Replacement</u>					
Police	300,000	350,000	400,000	450,000	500,000
Public Works	332,000	500,000	572,762	600,000	900,000
Building Safety		50,000	50,000	50,000	75,000
Parks & Recreation		100,000	100,000	100,000	100,000
Fire	120,000	750,000	600,000	600,000	1,000,000
Subtotal Fleet Replacement	752,000	1,750,000	1,722,762	1,800,000	2,575,000
<u>Facility & Equipment Maintenance/Upgrades</u>					
General Maintenance	275,000	300,000	325,000	325,000	375,000
Police Equipment		45,000		145,000	200,000
Municipal Building Repairs			125,583	85,873	
Building Security Enhancements	125,000	150,000	175,000	200,000	200,000
PW Facility Improvements - garage door		50,000			
PW Facility Improvements - wash bay			150,000		
Roll Cart Replacement			171,863	182,970	195,810
Fuel Dispenser Replacement			36,000		
Sidewalk Refuse Replacement			41,600	43,264	45,011
Government TV Equipment	58,000	58,000	58,000	58,000	58,000
Generator Replacement	110,000	35,000			
Subtotal Facilities/Equipment	568,000	638,000	1,083,046	1,040,107	1,073,821
<u>Sewer Projects</u>					
Sardis Road Sewer	1,620,000				
Airport Road Sewer	250,000				
Subtotal Sewer Projects	1,870,000	0	0	0	0

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	2009/10	2010/11	2011/12	2012/13	2013/14
<u>Technology Improvements</u>					
Reduncancy for call center system			30,000		
Development Review Improvements	200,000	200,000	200,000	200,000	200,000
BTIP Phase II			250,000	200,000	200,000
Continuity of operations data center			112,000	100,000	100,000
Fire supression system in Data Center		40,000			
Radio replacements - rolling stock	135,000	300,000	300,000	300,000	
Replace imaging system				150,000	75,000
Voicemail system					62,000
Remittance Processor		100,000			
Extend fiber optic capacity					150,000
Radio system Infrastructure		1,200,000	1,000,000	1,000,000	
Subtotal Technology	335,000	1,840,000	1,892,000	1,950,000	787,000
<u>Civic Center</u>					
Replace Lighting Fixtures				100,000	
Replace Elevator Motor Generator System				75,000	90,000
Replace Spot Lights		50,000	50,000		
Replace Facility Curtains		75,000	60,000		
Replace Auditorium Carpet		25,000			
Replace Exterior Doors			50,000	50,000	
Repair Plaster/Paint Auditorium					100,000
Renovate Banquet Hall	100,000	100,000	130,000	65,000	
Replace Marquee	25,000	40,000			
Thomas Wolfe Fire Exits	115,000				
Thomas Wolfe Roof		100,000	100,000	100,000	200,000
General Improvements	10,000	10,000	10,000	10,000	10,000
Subtotal Civic Center	250,000	400,000	400,000	400,000	400,000

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS

Parks & Recreation

	2009/10	2010/11	2011/12	2012/13	2013/14
Urban Trail	0	50,000	50,000	50,000	50,000
Public Art	0	25,000	25,000	25,000	25,000
McCormick Field	35,000	35,000	35,000	35,000	35,000
Walton Street Pool Improvements	200,000				
Golf Course Irrigation	300,000				
Swimming Pool Improvements			300,000		300,000
Recreation Centers Improvements			300,000	300,000	300,000
Parks/Facilities Improvement			200,000	200,000	200,000
Land Acquisition Parks & Greenways			200,000	200,000	200,000
Stephens Lee Center Gym Floor Replacement					150,000
Pritchard Park Improvements			25,000	75,000	75,000
Nature Center Improvements				75,000	150,000
Azalea Parks Improvements		150,000		100,000	100,000
Carrier Park Improvements					100,000
McCormick Field Structure & Turf Renovation					100,000
Reid Center Improvements		500,000	500,000		
Subtotal Parks & Recreation	535,000	760,000	1,635,000	1,060,000	1,785,000

Land Purchases

Overlook Park Land Purchases

Subtotal Land Purchases

250,000				
250,000	0	0	0	0

CAPITAL IMPROVEMENT PROGRAM 2009/10 TO 2013/14

GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS

Streets & Sidewalks

Annual Paving/Maintenance Program

Annual Sidewalk Program

Brevard Road Sidewalk

Hilliard Ave Sidewalk & Pedestrian Signals

Commerce Street ADA

Subtotal Streets/Sidewalks

2009/10	2010/11	2011/12	2012/13	2013/14
752,300	752,300	780,869	810,295	900,000
200,000	200,000	200,000	200,000	200,000
		56,800		
				614,000
				125,000
952,300	952,300	1,037,669	1,010,295	1,839,000

Traffic Improvements

Traffic Safety Projects

Sharrows Network 1

Railroad Crossing Improvement

Haywood Road Sharrows

Haywood Road Bicycle Lane

Subtotal Traffic Improv.

35,000	100,000	100,000	100,000	100,000
	38,128			
		16,200	54,000	
				18,653
				48,384
35,000	138,128	116,200	154,000	167,037

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
1999 FORD PICKUP TRUCK	48,000				
1999 FORD PICKUP TRUCK	48,000				
1999 JCB BACKHOE	80,000				
2001 JCB BACKHOE	80,000				
2001 INTERN DUMP TRUCK	120,000				
2001 JCB BACKHOE	80,000				
2002 EXPLORER	20,000				
2002 S10 PICK UP	28,000				
2002 EXPLORER	20,000				
1999 JCB 215E BACKHOE	80,000				
2001 SALT/SAND SPREADER	20,000				
2001 RAM X PAD FOOT ROLLER	35,000				
2001 FORD RANGER	21,000				
1999 FORD PICKUP TRUCK	21,000				
1995 DITCH WITCH TRENCHER		49,000			
1999 NEW HOLLAND TRACTOR		27,500			
1990 GENERATOR NORTH FORK		90,000			
1990 GENERATOR PEACH KNOB		25,000			
2003 S10 PICKUP		21,000			
2002 SKID STEER LOADER		38,500			
1995 FORD TRACTOR 4WD		39,600			
2002 INTERNATIONAL TANDEM		114,000			
2002 CHEVY SUBURBAN		33,000			
2003 DODGE DURANGO		26,400			
1995 FORD TRUCK PRO PAT		170,000			
2000 CHEVY PICKUP		22,000			
1998 AIR COMPRESSOR		15,000			
2003 S10 PICKUP		21,000			
2004 CHEVY COLORADO		21,100			
2003 CHEVY MALIBU		20,000			
2002 JOHN DEER BACK HOE		80,000			
2002 LEEBOY ROLLER			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2003 CHEVY MALIBU			22,000		
2005 JEEP LIBERTY			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2004 BOBCAT SKID STEER			38,500		
2004 CHEVY SERVICE BODY			35,000		
2004 CHEVY SERVICE BODY			35,000		
2003 DODGE DURANGO			26,000		

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
2005 6X12 TRAILER			10,000		
2005 FORD TRUCK F350			35,000		
2005 CHEV. PICKUP S-10			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 WSTR TANDEM			122,000		
2005 WESTERN STAR TANDEM			105,000		
2005 FREIGHTLINER PATCH T			176,000		
2005 FORD TRUCK RANGER				22,000	
2007 CUSTOM 20TN TRAILER				16,000	
1999 FORKLIFT MILLS RIVER				24,200	
2007 CUSTOM 20TN TRAILER				16,000	
2004 410G BACKHOE				80,000	
2005 CHEV. TRUCK 1-TON				35,000	
2004 FORD F750 SGL DUMP				70,000	
2004 STERLING LT9500				115,000	
2004 STERLING LT9500				110,000	
2005 CHEV. TRUCK 3/4-TON				35,000	
2006 HOMESTEADER TRAILER				10,000	
2005 FORD TRUCK F350				35,000	
2004 CASE MODEL C60 TRENCHER				13,000	
2005 DITCH WITCH TRENCHER				8,100	
2006 CHEVY 2500HD CNG				35,000	
2005 6X10 TRAILER				10,000	
2006 CHEVY 2500HD CNG				38,000	
2006 INTERNATIONAL 7600 T				105,000	
2006 CAROLINA 22TN TRA				15,000	
2006 CAROLINA 22TN TRA				15,000	
2007 AIR COMPRESSOR				15,000	
2006 CAROLINA 22TN TRA					15,000
2006 5X10 TRAILER					10,000
2006 CAROLINA 22TN TRA					15,000
2007 CAROLINA TLR 22 TON					15,000
2007 POLARIS 500 6X6					7,000
2004 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 FORD EXPLORER					32,000
2006 CHEV. PICKUP TRUCK					29,700
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					22,500

CAPITAL IMPROVEMENT PROGRAM 2009/10 TO 2013/14

WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

	REQUESTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14
2006 FORD F350 SUPERCAB 4X4					26,400
2006 JOHN DEERE 410G BACKHOE					80,000
2007 FORD TRUCK F150 4X4					20,000
2007 FORD TRUCK F350					38,000
2007 DODGE 3500 QUAD CAB					38,000
2007 DODGE 3500 QUAD CAB					38,000
2007 FORD TRUCK F150 4X4					25,000
2007 FORD TRUCK F150 4X4					25,000
2008 FORD F350 4X4 DUMP					46,000
2007 DODGE DURANGO					20,000
2009 STERLING TRI-AXLE DUMP					120,000
1970 AIR COMPRESSOR					15,000
2007 FORD TRACTOR					35,000
TOTAL	701,000	813,100	824,500	822,300	821,200

CAPITAL IMPROVEMENT PROGRAM

2009/10 TO 2013/14

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

NC DOT Projects:

I-240 Widen I-26 to N. of Haywood
 Long Shoals at I-26
 I-26 (Patton to 19/23)
 Long Shoals I-26 to US 25
 Long Shoals I-26 to 191
 Brevard Rd (Parkway to Long Shoals)
 Brevard Rd (Long Shoals to NC 280)
 Sweeten Creek Rd (Rock Hill to US 25)
 I-26 Widening Project

Distribution Systems Projects:

Pump Station Meters
 North Fork Lagoon # 3
 Reynolds MHP Water System Upgrade
 Viewmont Acres MHP Water System Upgrade
 Beaucatcher Tank Demolition
 Allen Mountain Upgrade
 William DeBruhl WTP Backwash Lagoon
 Brevard Road Waterline from I-26 to Mall
 Spivey Mountain Tank
 24" and 36" Main Replacement Evaluation
 Walnut Cove Pump Replacement
 Automated Meter Reading (AMR)
 Merrimon Avenue Main Replacement
 New Mills Gap Pump Station
 Additional Water Treatment Plant Capacity
 Distribution System Refurb/Replace
 Affordable Housing Infill Development Incentive

Management Tools / Equipment:

Meter Testing
 Main Marking / Mapping / Model
 New Maintenance Facility
 Master Plan Update

Total Use of Funds

	2009/10	2010/2011	2011/2012	2012/2013	2013/2014
I-240 Widen I-26 to N. of Haywood	162,920				
Long Shoals at I-26	800,108				
I-26 (Patton to 19/23)	282,000				
Long Shoals I-26 to US 25	253,442				
Long Shoals I-26 to 191		569,250	569,250		
Brevard Rd (Parkway to Long Shoals)			711,489	711,489	
Brevard Rd (Long Shoals to NC 280)			1,233,375	1,233,375	
Sweeten Creek Rd (Rock Hill to US 25)				1,527,933	1,527,932
I-26 Widening Project				2,000,000	2,000,000
Pump Station Meters	150,000				
North Fork Lagoon # 3	180,000				
Reynolds MHP Water System Upgrade	420,420				
Viewmont Acres MHP Water System Upgrade	664,001				
Beaucatcher Tank Demolition	125,000				
Allen Mountain Upgrade	250,000				
William DeBruhl WTP Backwash Lagoon	400,000				
Brevard Road Waterline from I-26 to Mall	225,000				
Spivey Mountain Tank		550,000	550,000		
24" and 36" Main Replacement Evaluation		75,000			
Walnut Cove Pump Replacement		400,000			
Automated Meter Reading (AMR)	1,390,576	2,000,000	2,000,000		
Merrimon Avenue Main Replacement					1,500,000
New Mills Gap Pump Station					373,440
Additional Water Treatment Plant Capacity					
Distribution System Refurb/Replace		1,185,000	1,185,000	1,185,000	1,178,400
Affordable Housing Infill Development Incentive	44,268	500,000	500,000	500,000	500,000
Meter Testing	250,000	250,000			
Main Marking / Mapping / Model		100,000	100,000	100,000	100,000
New Maintenance Facility		500,000	500,000	500,000	500,000
Master Plan Update					
Total Use of Funds	\$5,597,735	\$6,129,250	\$7,349,114	\$7,757,797	\$7,679,772

GENERAL FUND DEBT SERVICE

Debt service expenditures in the general fund for FY 2009-10 are as follows:

BUDGET SUMMARY	Adopted 2009/10
<u>General Obligation Bonds:</u>	
1993 Street and Sidewalk Series A	108,310
1993 Street and Sidewalk Series B	47,470
1999 Refunding Bonds	421,757
G/O Refunding 2000	<u>155,650</u>
Total General Obligation Bonds	733,187
<u>Installment Financings:</u>	
2006 Fire Station 6 & 11	566,329
1997A Municipal Bldg	1,126,845
1997B Refunding Public Works	435,708
1997C Grove Arcade	151,600
2010 CIP Projects**	<u>179,950</u>
Total Installment Financings	2,460,432
<u>Other Debt:</u>	
MSD	<u>38,000</u>
Total Other Debt Service	38,000
<u>Equipment Lease-Purchases:</u>	
1999 Fire Truck/Trash Cans	12,649
2003 Fire Trucks	170,009
2006 Radio Equip/Fire & PW Vehicles	531,508
2007 & 2008 Equipment Purchases	1,069,136
2009 Equipment Purchases**	<u>415,000</u>
Total Equipment Lease-Purchases	2,198,302
TOTAL GENERAL FUND DEBT SERVICE	<u>5,429,922</u>

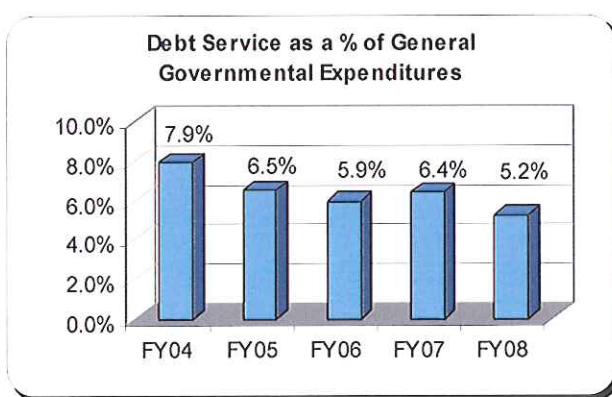
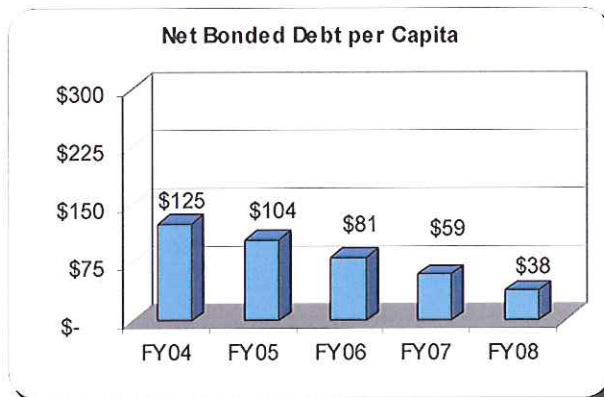
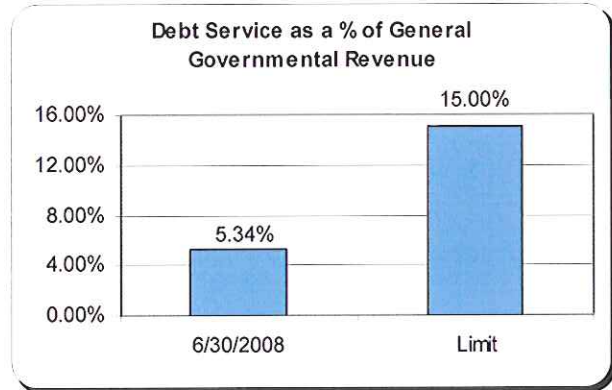
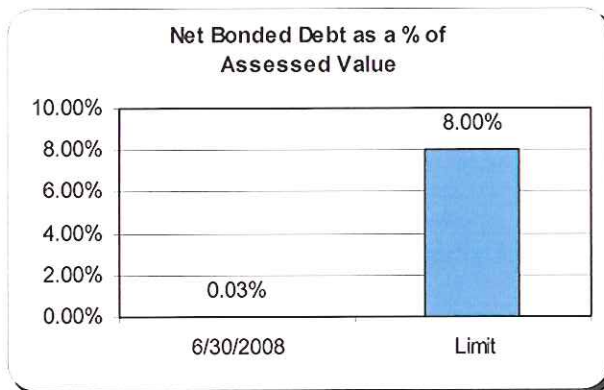
** Estimates

DEBT MANAGEMENT

The objective of the City of Asheville debt management policy is to maintain the City's ability to incur present and future debt at the most beneficial interest rates without adversely affecting the City's ability to finance essential City services.

Policy Statements:

- Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
- The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.
- Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.
- Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The City will maintain its financial condition so as to maintain a minimum AA bond rating.
- The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.



DEBT MANAGEMENT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2008

(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County			
Subtotal, overlapping debt	\$ 76,465	36.29%	\$ 27,751
City of Asheville direct debt	2,985	100%	2,985
Total direct and overlapping debt	<u>\$ 79,450</u>		<u>\$ 30,736</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Asheville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

DEBT MANAGEMENT

OUTSTANDING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2008

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities related to both general and proprietary activities. All general obligation bonds are backed by the full faith, credit and taxing power of the City. Principal and interest requirements are appropriated when due. General obligation bonds outstanding at June 30, 2008 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2008</u>
General Fund:					
Street, sidewalk and storm drainage, Series 1993A	5.50-5.25%	7/1/1993	2/1/2013	1,300,000	440,000
Street, sidewalk and storm drainage, Series 1993B	5.00-5.25	7/1/1993	2/1/2013	500,000	180,000
General Obligation refunding bonds, Series 1993C	4.00-4.80	7/1/1993	6/1/2008	10,305,000	-
General Obligation refunding bonds, Series 1999	4.00-4.20	2/9/1999	6/1/2012	4,952,360	1,094,595
General Obligation refunding bonds, Series 2000	4.75-5.00	12/01/2000	12/01/2020	1,970,000	<u>1,270,000</u>
Total General Fund					2,984,595
Enterprise Fund:					
Water - 1995	5.40-6.40	6/1/1995	6/1/2011	3,000,000	1,050,000
Water - 1999	4.00-4.20	2/9/1999	6/1/2012	12,217,640	<u>2,700,405</u>
Total Enterprise Fund					<u>3,750,405</u>
Total General Obligation Bonds					<u>6,735,000</u>
Premium on Bonds					<u>16,051</u>
Total GO Bonds & Premium					<u>\$6,751,051</u>

ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Annual debt service requirements to maturity for the City's general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
2009	1,512,010	842,941	2,354,951
2010	1,510,961	733,187	2,244,148
2011	983,711	501,284	1,484,995
2012	63,024	328,661	391,685
2013		235,675	235,675
2014-2018		630,000	630,000
2019-2021		288,750	288,750
Total	<u>\$4,069,706</u>	<u>\$3,560,498</u>	<u>\$7,630,204</u>

DEBT MANAGEMENT

INSTALLMENT FINANCING CONTRACTS

The City has entered into various installment financing contracts with the Asheville Public Financing Corporation, a blended component unit, for renovation and construction of municipal facilities. These contracts were funded by the execution and delivery of Certificates of Participation and certain lease contracts. The outstanding contracts at June 30, 2008 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2008</u>
General Fund:					
Municipal Building Series 1997-A	4.00-5.13	11/01/1997	6/01/2018	14,045,000	8,660,000
Refunding Series 1997-B	4.00-5.00	11/01/1997	6/01/2011	3,480,000	1,185,000
Fire Stations & Equip. Series 2006	3.92	6/28/2006	6/28/2021	8,030,300	<u>6,358,793</u>
					16,203,793
Enterprise Fund:					
Parking Services Series 1992	5.00-6.50	2/15/1992	2/01/2008	5,385,000	-
Stormwater Series 2006	3.92	6/28/2006	6/28/2011	215,000	<u>129,000</u>
					<u>129,000</u>
Total Installment Financing					<u>\$22,691,586</u>

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT FINANCING CONTRACTS

Annual debt service requirements to maturity for the installment financing contracts, including interest of \$9,908 for the enterprise fund and \$4,215,779 for the general fund, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Enterprise Funds</u>	<u>General Long-Term Debt Account Group</u>	<u>Total</u>
2009	47,954	2,644,115	2,692,069
2010	46,302	2,614,087	2,660,389
2011	44,652	2,580,938	2,625,590
2012	-	1,663,851	1,663,851
2013	-	1,648,207	1,648,207
2014-2018	-	8,022,323	8,022,323
2019-2021	-	<u>1,246,051</u>	<u>1,246,051</u>
Totals	<u>\$138,908</u>	<u>\$20,419,572</u>	<u>\$20,558,480</u>

DEBT MANAGEMENT

INSTALLMENT PURCHASE CONTRACTS

The City has entered into installment purchase contracts with various agencies for the purchase of assorted assets. These obligations are considered a limited obligation of the City and are secured by the assets themselves.

	Interest Rates	Date Issued	Date Series Mature	Amount of Original Issue	Balance Outstanding at June 30, 2008
Trucks and cans	5.12%	12/9/1999	12/9/2009	\$359,230	\$36,135
Fire Trucks	3.06	11/29/2002	11/15/2012	1,546,308	695,840
Trucks and carts	2.35	4/30/2004	4/30/2009	741,577	155,054
Fire and Sanitation trucks	2.49	6/25/2008	6/1/2013	5,000,000	5,000,000
Total					<u>\$5,887,029</u>

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT PURCHASE CONTRACTS

Annual maturities on all installment purchase contracts are as follows:

Fiscal Year Ending June 30	Business-type Activities	Governmental Activities	Total
2009	\$	\$1,421,607	\$1,421,607
2010	-	1,251,794	1,251,794
2011	-	1,234,412	1,234,412
2012	-	1,229,681	1,229,681
2013	-	1,147,635	1,147,635
Total	<u>\$</u>	<u>\$6,285,129</u>	<u>\$6,285,129</u>

ASHEVILLE COMMUNITY PROFILE

Community Description

The City of Asheville, with a population of 76,764, comprises an area of approximately 45.2 square miles in Western North Carolina. Asheville is the regional center for manufacturing, transportation, health care, banking, professional services, and shopping. The City is the county seat of Buncombe County, the largest city in Western North Carolina, and the eleventh largest city in the State. Asheville is nestled between the Blue Ridge and Great Smoky Mountains and located astride the French Broad and Swannanoa Rivers. The City is surrounded by lush mountains, many with elevations above 5,000 feet.

Recreational opportunities abound in the Asheville area with approximately 16% of the region's area designated as public or recreational. The Biltmore Estate, George Vanderbilt's 19th century estate, comprises over 8,000 acres just outside the city limits. The Blue Ridge Parkway is also headquartered in Asheville. The City also has a strong historic preservation program. This assistance in the preservation of downtown housing and historic structures has created a truly unique and vibrant urban atmosphere in downtown Asheville.

Asheville's natural and architectural beauty, moderate climate, strong job market, and outstanding educational and health care facilities make it one of the most attractive locations in the United States. Asheville is consistently ranked high among the best places to live, work and retire. The City's long-range planning is directed toward preserving this area's high quality of life, so that it shall remain one of the "best places."

Form of City Government

The City of Asheville, which was incorporated in 1797, operates under a Council/Manager form of government. The six-member City Council and the Mayor are elected at-large for staggered terms of four years. City Council, which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The City's 1,000-person workforce provides basic City services including fire and police protection, planning and economic development, public works (streets, traffic, solid waste and stormwater services), parks and recreation, and water.

Statistical Information

Year Established

Asheville	1883
Buncombe County	1792

Size (square miles)

Asheville	45.2
Buncombe County	660

Climate

Avg. Yearly Temp.	55.6 F
Avg. Yearly Rainfall	47.07 in
Avg. Yearly Snowfall	13.3 in
Avg. Elevation	2,165 ft

Police Protection

Number of Stations	4
Number of Police Personnel	259
Number of Patrol Districts	3
Number of:	
Calls for Service Dispatched	114,112
UCR Part I Crimes Reported	5,091
UCR Part I Crimes Cases Cleared	1,293
Traffic Accidents Investigated	3,290

Utilities

Miles of Streets	379.38
Number of Street Lights	9,809
Number of City-Maintained Intersections	62
Miles of Water Mains	1,643
Treatment Plants	3
Water Service Connections	51,776
Fire Hydrants	3,345
Daily Avg. Consumption of Water (gal)	20.9 million
Max. Daily Capacity of Treat. Plants (gal)	44 million

Fire Protection

Number of Stations	11
Number of Fire Personnel	239
Number of Calls Answered	13,442
Number of Inspections Conducted	2,381

Culture & Recreation

Community Centers	11
Parks & Playgrounds	73
Park Acreage	937
Swimming Pools	3
Tennis Courts	30

ASHEVILLE COMMUNITY PROFILE

Demographic Information

(Source: U.S. Census Bureau, American Factfinder 2007; Geographic Area: City of Asheville, unless otherwise indicated. The Asheville Metropolitan Statistical Area includes the following counties: Buncombe, Haywood, Henderson, & Madison.)

Population (State Est. as of 7/07)

City of Asheville	76,764
Buncombe County	225,609
Asheville Metro. Stat. Area	405,277

Population Growth 2000-2007

City of Asheville	11.4%
Buncombe County	9.4%

<u>Age</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	4,068	5.3%
5-9	3,685	4.8%
10-14	3,992	5.2%
15-19	4,683	6.1%
20-24	6,218	8.1%
25-34	11,438	14.9%
35-44	10,210	13.3%
45-54	10,286	13.4%
55-59	5,143	6.7%
60-64	4,222	5.5%
65-74	5,373	7.0%
75-84	5,143	6.7%
85+ years	2,303	3.0%
Median Age	39.5	

<u>Race</u>	<u>Number</u>	<u>Percent</u>
White	62,971	82.0%
Black or African American	11,317	14.7%
Other	2,476	3.2%
Hispanic or Latino (any race)	3,218	4.2%

<u>Households</u>	<u>Number</u>	<u>Percent</u>
Total	33,725	
Family Households	17,207	51.0%
Non-Family Households	16,518	49.0%
Average Household Size	2.14	
Average Family Size	2.89	

<u>Housing Occupancy</u>	<u>Number</u>	<u>Percent</u>
Total Housing Units	38,101	
Occupied Housing Units	33,725	88.5%
Vacant Housing Units	4,376	11.5%
Homeowner Vacancy Rate	1.6%	
Rental Vacancy Rate	5.1%	

<u>Housing Tenure</u>	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	33,725	
Owner-Occupied Housing Units	18,527	54.9%
Renter-Occupied Housing Units	15,198	45.1%

<u>Sex</u>	<u>Number</u>	<u>Percent</u>
Male	35,388	46.1%
Female	41,376	53.9%

Other Demographic Information

(Source: Asheville Area Chamber of Commerce)

Public Schools

Number of Elementary Schools	6
Number of Middle/High Schools	2/1
Total Student Enrollment	3,826

Medical

Hospitals/Beds	3/1,668
Doctors	808
Dentists	142

Area Colleges & Universities

University of North Carolina-Asheville	3,520
Western Carolina University	9,060
Mars Hill College	1,160
Warren Wilson College	900
Montreat College	1,030
Asheville-Bunc. Tech/Comm College	6,250

Housing

Avg. Price of Area Homes Sold (2008)	\$277,825
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ASHEVILLE COMMUNITY PROFILE

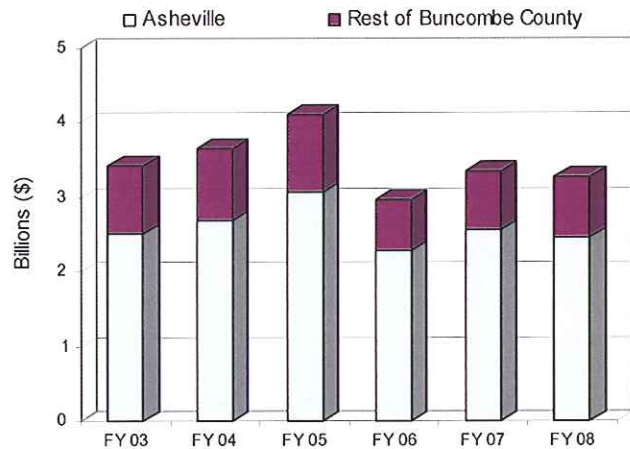
Economic Indicators

Growth in many of the City's revenues depends on the state of the economy. When the economy is expanding, revenues are up, and when the economy slows, revenues react accordingly. Given this relationship, key economic indicators, such as retail sales, unemployment rates, job growth, construction starts and hotel/motel sales are helpful in assessing why revenues are either up or down, and how they might be trending in the future. Although the City's revenues are most directly impacted by the local economy, trends in North Carolina and across the nation are also important.

Retail Sales (Source: N.C. Department of Revenue)

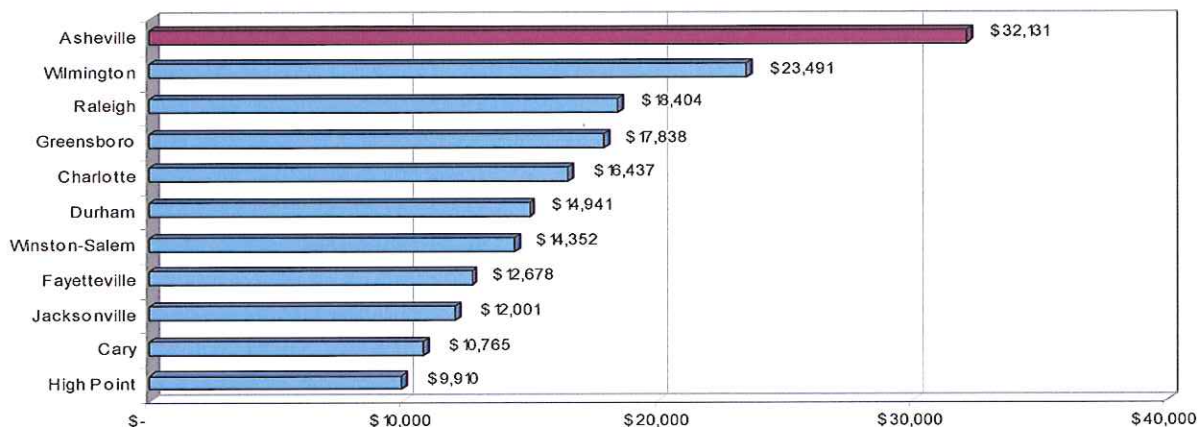
Buncombe County Retail Sales

		<u>% Growth</u>
FY 97-98	3,081,052,389	5.73%
FY 98-99	3,211,541,498	4.24%
FY 99-00	3,244,933,551	1.04%
FY 00-01	3,385,178,057	4.32%
FY 01-02	3,431,308,897	1.36%
FY 02-03	3,443,728,087	0.41%
FY 03-04	3,652,735,132	6.07%
FY 04-05	4,052,113,042	10.93%
FY 05-06	3,002,061,125	NA
FY 06-07	3,336,213,094	11.13%
FY 07-08	3,283,356,807	-1.58%



In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City's general fund budget through sales tax receipts. The economic recession and its lingering effects caused retail sales growth to slow substantially between FY 01-02 and FY 02-03, with annual growth averaging only .89% over this time period. Retail sales improved in FY 03-04 and continued to grow through FY 06-07. With the onset of the current recession in FY 07-08, retail sales fell by 1.58%. A more substantial drop in retail sales will show up in FY 2008-09 year end data. Due to a change in the way the state calculates retail sales, FY 05-06 data is not comparable to prior years.

Per Capita Retail Sales for North Carolina's Eleven Largest Cities FY 2007-08

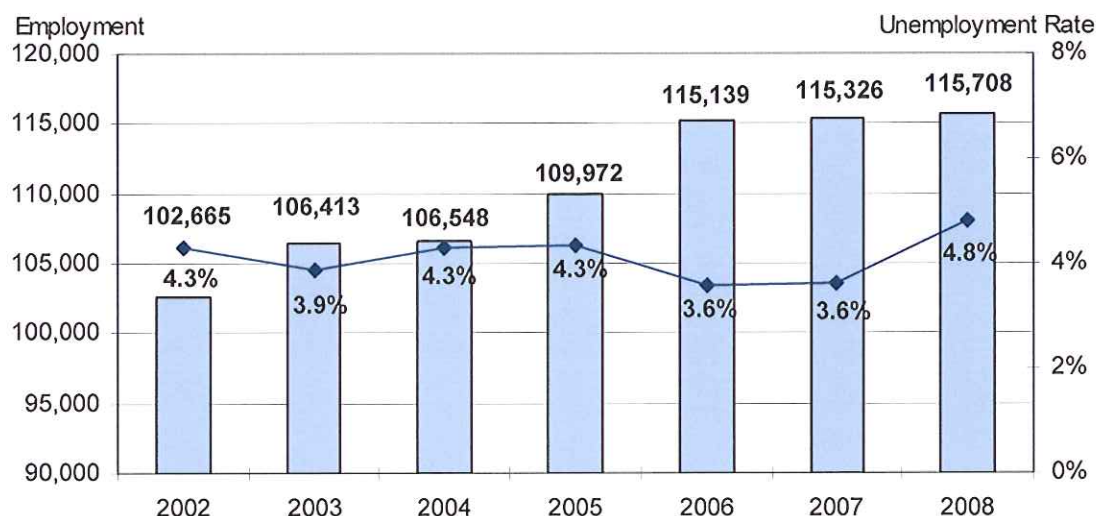


Population Estimates: Office of State Planning as of 7/1/07.

Of the \$3.3 billion in retail sales recorded in Buncombe County during FY 2007-08, \$2.5 billion or 76% of those sales occurred within the City of Asheville. Among the eleven largest cities in North Carolina, Asheville had the highest level of retail sales per resident in FY 2007-08. This data reflects Asheville's position as the regional economic center for Western North Carolina. Asheville's high level of retail sales per resident is also likely associated with Asheville's status as a tourist destination.

ASHEVILLE COMMUNITY PROFILE

Labor Market Trends (Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)



Buncombe County Workforce

Largest Employment Sectors (NAICS)	% of Employment	Employment Growth		
		Year	Avg. Employment	% Change
Health Services & Private Education	16.9%	1999	102,931	0.74%
Government (federal, state and local)	14.7%	2000	104,617	1.64%
Leisure & Hospitality	13.8%	2001	104,738	0.12%
Retail Trade	12.8%	2002	102,665	-1.98%
Manufacturing	11.2%	2003	106,413	3.65%
Professional & Business Services	9.8%	2004	106,548	0.13%
Construction	6.7%	2005	109,972	3.21%
Financial Activities	3.4%	2006	115,139	4.70%
Wholesale	2.9%	2007	115,326	0.16%
Transportation & Utilities	2.5%	2008	115,708	0.33%
Information	1.3%			

The unemployment rate is a critical indicator of relative strength in the local economy. As the effects of the recession began to be felt in Buncombe County, the average unemployment climbed to 4.8% in 2008. The unemployment rate has continued to climb dramatically in 2009, and as of May, the county's unemployment rate stood at 8.8%. Local unemployment rates are below both the statewide rate (11.1%) and the national rate (9.4%).

Between 1999 and 2008, the total employment in Buncombe County increased by 12,777 jobs or 12.4%. In 2008, average Buncombe County employment increased by 0.33%, reaching an all-time high of 115,708.

The County's leading industry in terms of employment is health care & private education, which employed 30,600 people in 2008. Other leading industry sectors include government, leisure & hospitality, and retail trade. Together these four sectors accounted for approximately 58.2% of all Buncombe County jobs in 2008. Despite the fact that it remains the fifth largest industry sector in Buncombe County, the manufacturing sector has experienced a significant decline in recent years. Over the last eight years, local manufacturing employment has declined 26.8%.

According to the latest data provided by the U.S. Bureau of Labor Statistics, the average annual pay in the Asheville Metropolitan Statistical Area (MSA) in 2007 was \$34,170. Asheville's MSA average annual pay was below both the state (\$36,900) and national (\$40,690) averages.

ASHEVILLE COMMUNITY PROFILE

Labor Market Trends (Sources: Asheville Area Chamber of Commerce & N.C. Department of Commerce)

Major Buncombe County Employers

Employer	Employment	Employer	Employment
Mission Health & Hospitals	3,000+	VA Medical Center	1,000-2,999
Buncombe County Public Schools	3,000+	The Biltmore Company	1,000-2,999
Ingles Markets, Inc.	3,000+	The Grove Park Inn Resort & Spa	1,000-2,999
Buncombe County	1,000-2,999	BorgWarner Turbo & Emissions Systems	750-999
City of Asheville	1,000-2,999	CarePartners	750-999

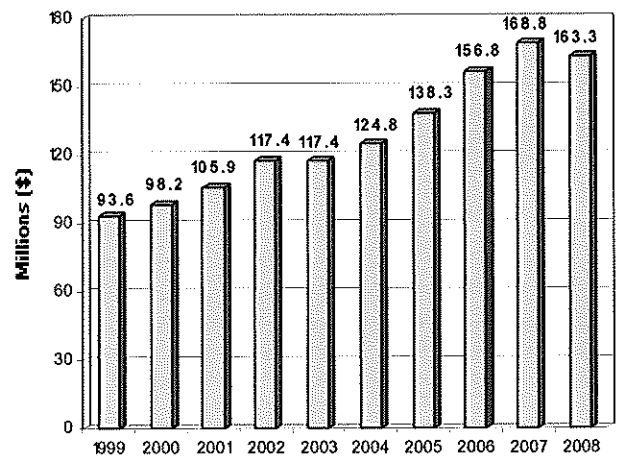
ACCRA Cost of Living Index (4th Quarter 2008)

Cities	All Items	Food	Housing
Asheville	99.7	100.2	101.8
Raleigh	102.6	104.1	99.3
Charlotte	94.2	102.2	79.9
Winston-Salem	90.8	98.6	76.4
Columbia, SC	95.2	108	77.1

(100 = The Composite National Average)

Buncombe County Hotel/Motel Sales (Sources: N.C. Department of Commerce & the Asheville Area Chamber of Commerce)

	<u>Hotel/Motel Sales</u>	<u>% Change</u>
1999	93,599,204	3.0%
2000	98,176,768	4.9%
2001	105,942,408	7.9%
2002	117,411,941	10.8%
2003	117,444,465	0.0%
2004	124,767,177	6.2%
2005	138,271,482	10.8%
2006	156,752,276	13.4%
2007	168,839,645	7.7%
2008	163,309,090	-3.3%



Asheville's setting, in the heart of a vast and beautiful recreational area, has made tourism an important part of the local economy. The most recent data from the N.C. Department of Commerce indicate that domestic tourism in Buncombe County generated an economic impact of \$709.4 million in 2007, an increase of 9.9% compared to 2006. Buncombe County ranks 5th in travel impact among the state's 100 counties. Over 8,970 jobs in Buncombe County are directly linked to travel and tourism. Growth in hotel/motel sales is a good indicator of the status of the local tourist economy. Hotel/motel sales grew steadily between 2004 and 2007, however the effects of the current recessions began being felt in 2008 and hotel/motel sales fell by 3.3%.

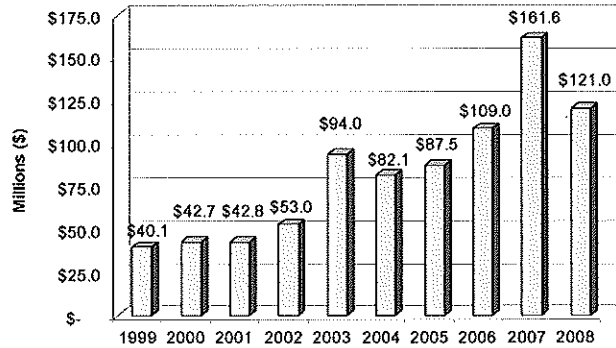
ASHEVILLE COMMUNITY PROFILE

Construction Trends (Source: City of Asheville Building Safety Department)

Residential Permit Valuation

Residential Permit Valuation

		<u>% Change</u>
1999	37,271,779	-38.77%
2000	41,708,329	11.90%
2001	41,897,612	0.45%
2002	52,343,315	24.93%
2003	93,330,295	78.30%
2004	81,642,524	-12.52%
2005	87,098,910	6.68%
2006	108,985,834	25.13%
2007	161,644,733	48.32%
2008	120,947,414	-25.16%

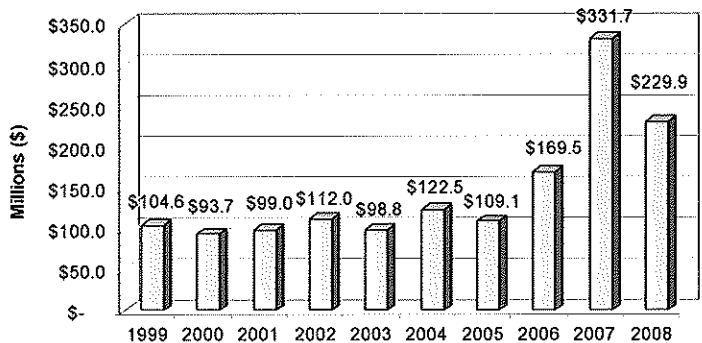


Residential property is the single largest component of the City's tax base comprising 50% of the City's total assessed valuation. Trends in residential construction are therefore an important indicator of overall growth in the City's financial capacity. In addition, residential development generally costs more to service than other types of development. Explosive growth in residential construction can thus lead to more demand for services and higher operating costs for City departments. The value of residential construction in the City has been well above historical averages in each of the last five years, but permit values fell by 25.16% in 2008 as the recession began impacting the local construction industry.

Commercial Permit Valuation

Commercial Permit Valuation

		<u>% Change</u>
1999	104,611,542	120.55%
2000	93,723,352	-10.41%
2001	98,982,460	5.61%
2002	111,985,132	13.14%
2003	98,748,514	-11.82%
2004	122,571,901	24.13%
2005	109,124,425	-10.97%
2006	169,568,937	55.39%
2007	331,721,367	95.63%
2008	229,910,119	-30.69%



Commercial property is the second largest component of the City's tax base comprising 33% of the City's total assessed valuation. Growth in commercial construction is important for the City's financial capacity and for the overall health of the local economy. Commercial construction activity reached a new high in 2007 before decreasing by 30.69% in 2008. It should be noted that even with the decline in 2008, commercial construction activity remained strong in Asheville during the early part of the current recession. Major commercial construction projects permitted in 2008 include the Biltmore Town Square, Country Inn & Suites Hotel, the Hotel Indigo, and the Fitzgerald Project at the Grove Park Inn.

BUDGET ORDINANCE

ORDINANCE NO. 3756

AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND FIXING THE TAX RATE FOR THE CITY OF ASHEVILLE FOR THE FISCAL YEAR 2009-10

WHEREAS, Article 3 of Chapter 159 of the N. C. General Statutes requires local governments in North Carolina to adopt ordinances establishing an annual budget, in accordance with procedures specified in said Article 3; and

WHEREAS, the Asheville City Council, following a public hearing as required by law has considered the proposed annual budget for the City of Asheville for the 2009-10 fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

Section 1. The following amounts are hereby appropriated for operating City government for the fiscal year beginning July 1, 2009 and ending June 30, 2010, according to the following schedules:

GENERAL FUND

Revenues:

Property Taxes	\$45,413,548	
Intergovernmental Revenue	11,393,131	
Sales & Other Taxes	16,210,273	
Charges For Service	11,439,835	
Licenses & Permits	4,999,049	
Investment Earnings	1,014,000	
Miscellaneous Revenue	320,093	
Appropriated Fund Balance	<u>1,898,364</u>	
Total Revenues		<u>\$92,688,293</u>

Appropriations:

Departmental Operations	<u>\$92,688,293</u>
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WATER RESOURCES FUND

Revenues:

Charges For Service	\$32,599,629	
Investment Earnings	<u>550,000</u>	
Total Revenues		<u>\$33,149,629</u>

Appropriations:

Water Resources Operations	<u>\$33,149,629</u>
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BUDGET ORDINANCE

PARKING SERVICES FUND

Revenues:

Miscellaneous Revenue	\$2,789,700	
Investment Earnings	<u>50,000</u>	
Total Revenues		<u>\$2,839,700</u>

Appropriations:

Parking Services Operations		<u>\$2,839,700</u>
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STORMWATER UTILITY FUND

Revenues:

Charges For Service	\$2,665,218	
Licenses & Permits	204,000	
Investment Earnings	<u>30,000</u>	
Total Revenues		<u>\$2,899,218</u>

Appropriations:

Stormwater Utility Operations		<u>\$2,899,218</u>
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FESTIVALS FUND

Revenues:

Charges for Service	\$593,717	
Miscellaneous Revenue	700	
General Fund Transfer	<u>184,726</u>	
Total Revenues		<u>\$779,143</u>

Appropriations:

Festivals Operations		<u>\$779,143</u>
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TRANSIT SERVICES FUND

Revenues:

Intergovernmental Revenue	\$3,317,333	
Charges For Service	911,000	
Licenses & Permits	310,000	
Parking Fund Transfer	248,116	
General Fund Transfer	<u>872,831</u>	
Total Revenues		<u>\$5,659,280</u>

Appropriations:

Transit Services Operations		<u>\$5,659,280</u>
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BUDGET ORDINANCE

CIVIC CENTER FUND

Revenues:

Charges For Service	\$1,548,400	
General Fund Subsidy	391,315	
Miscellaneous Revenue	74,400	
Investment Earnings	<u>70,000</u>	
Total Revenues		<u>\$2,081,445</u>

Appropriations:

Civic Center Operations		<u>\$2,081,445</u>
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GOLF FUND

Revenues:

Charges For Service	\$1,000,000	
Total Revenues		<u>\$1,000,000</u>

Appropriations:

Golf Operations		<u>\$1,000,000</u>
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WATER MAJOR CAPITAL IMPROVEMENT FUND FY 2009-10

Revenues:

Contribution from Water Resources Fund		<u>\$5,597,735</u>
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Appropriations:

I240 Widen I26 to N. of Haywood	\$162,920	
Long Shoals at I26	800,108	
I26 (Patton to 19/23)	282,000	
Long Shoals I26 to US25	253,442	
Pump Station Meters	150,000	
North Fork Lagoon # 3	180,000	
Reynolds MHP Water System Upgrade	420,420	
Viewmont Acres MHP Water System Upgrade	664,001	
Beaucatcher Tank Demolition	125,000	
Allen Mountain Upgrade	250,000	
William DeBruhl WTP Backwash Lagoon	400,000	
Brevard Road Waterline from I-26 to Mall	225,000	
Automated Meter Reading (AMR)	1,390,576	
Affordable Housing Infill Development Incentive	44,268	
Meter Testing	<u>250,000</u>	
Total Appropriations		<u>\$5,597,735</u>

BUDGET ORDINANCE

COMMUNITY DEVELOPMENT FUND

Revenues:

HUD Grant – 35 th Year CDBG Entitlement	\$1,235,870	
Program Income	<u>267,687</u>	
Total Revenues		<u>\$1,503,557</u>

Appropriations:

Fiscal 2009-10 CDBG Program		<u>\$1,503,557</u>
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HOME INVESTMENT TRUST FUND

Revenues:

HUD Grant – 18 th Year HOME Entitlement	<u>\$1,462,387</u>	
Total Revenues		<u>\$1,462,387</u>

Appropriations:

Fiscal 2009-10 HOME Program		<u>\$1,462,387</u>
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SECTION 108 REHAB FUND

Revenues:

Program Income	\$64,752	
Due from CDBG Fund	<u>2,398</u>	
Total Revenues		<u>\$67,150</u>

Appropriations:

Section 108 Debt Service		<u>\$67,150</u>
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FAIR HOUSING ASSISTANCE PROGRAM

Revenues:

HUD FHAP Grant		<u>\$100,000</u>
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Appropriations:

Fiscal 2009-10 FHAP Program		<u>\$100,000</u>
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COMMUNITY DEVELOPMENT FUND - R

Revenues:

HUD Grant – 1 ST Year CDBG-R Entitlement	<u>\$332,942</u>	
Total Revenues		<u>\$332,942</u>

Appropriations:

Fiscal 2009-10 CDBG-R Program		<u>\$332,942</u>
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BUDGET ORDINANCE

HOMELESS PREVENTION & RAPID RE-HOUSING PROGRAM (HPRP)

Revenues:

HUD Grant – 1 ST Year Entitlement	\$509,460	
Total Revenues		<u>\$509,460</u>

Appropriations:

Fiscal 2009-10 HPRP Program		<u>\$509,460</u>
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GENERAL CAPITAL RESERVE FUND

Revenues:

Contribution from General Fund	\$8,367,222	
Debt Proceeds	<u>240,000</u>	
Total Revenues		<u>\$8,607,222</u>

Appropriations:

Departmental Operations	\$3,177,300	
Debt Service	<u>5,429,922</u>	
Total Appropriations		<u>\$8,607,222</u>

HOUSING TRUST REVOLVING FUND

Revenues:

Transfer from General Fund		<u>\$300,000</u>
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Appropriations:

Housing Trust Fund Operations		<u>\$300,000</u>
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CIVIC CENTER CAPITAL FUND

Revenues:

Transfer from General Capital Reserve Fund		<u>\$250,000</u>
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Appropriations:

Banquet Hall Renovations	\$100,000	
Replace Marquee	25,000	
General Improvements	10,000	
Thomas Wolfe Fire Exits	<u>115,000</u>	
Total Revenues		<u>\$250,000</u>

BUDGET ORDINANCE

GENERAL CAPITAL PROJECTS FUND – GOVERNMENT TV EQUIPMENT

Revenues:

Transfer from General Capital Reserve Fund	<u>\$58,000</u>
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Appropriations:

Improvements	<u>\$58,000</u>
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GENERAL CAPITAL PROJECTS FUND – DEVELOPMENT REVIEW TECHNOLOGY

Revenues:

Transfer from General Capital Reserve Fund	<u>\$200,000</u>
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Appropriations:

Improvements	<u>\$200,000</u>
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GENERAL CAPITAL PROJECTS FUND – WALTON POOL IMPROVEMENTS

Revenues:

Debt Proceeds	<u>\$200,000</u>
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Appropriations:

Improvements	<u>\$200,000</u>
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GENERAL CAPITAL PROJECTS FUND – RADIO REPLACEMENT

Revenues:

Transfer from General Capital Reserve Fund	<u>\$135,000</u>
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Appropriations:

Improvements	<u>\$135,000</u>
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GOLF CAPITAL PROJECTS FUND – GOLF COURSE IRRIGATION

Revenues:

Debt Proceeds	<u>\$300,000</u>
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Appropriations:

Improvements	<u>\$300,000</u>
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BUDGET ORDINANCE

SEWER CAPITAL PROJECTS FUND – SARDIS ROAD SEWER

Revenues:

Debt Proceeds	1,086,000	
Transfer from Other Projects	<u>534,000</u>	
Total Revenues		<u>\$1,620,000</u>

Appropriations:

Improvements		<u>\$1,620,000</u>
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SEWER CAPITAL PROJECTS FUND – AIRPORT ROAD SEWER

Revenues:

Debt Proceeds		<u>\$250,000</u>
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Appropriations:

Improvements		<u>\$250,000</u>
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GENERAL CAPITAL PROJECTS FUND – MCCORMICK FIELD

Revenues:

Transfer from General Capital Reserve Fund		<u>\$35,000</u>
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Appropriations:

Improvements		<u>\$35,000</u>
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GENERAL CAPITAL PROJECTS FUND – BUILDING SECURITY

Revenues:

Transfer from General Capital Reserve Fund		<u>\$125,000</u>
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Appropriations:

Improvements		<u>\$125,000</u>
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STREET & SIDEWALK FUND - STREET PAVING & SIDEWALK PROGRAM 09-10

Revenues:

Transfer from General Capital Reserve Fund		<u>\$952,300</u>
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Appropriations:

Street Paving 09-10	\$752,300	
Sidewalk Program 09-10	<u>200,000</u>	
Total Appropriations		<u>\$952,300</u>

BUDGET ORDINANCE

STREET & SIDEWALK FUND – TRAFFIC SAFETY

Revenues:

Transfer from General Capital Reserve Fund	<u>\$35,000</u>
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Appropriations:

Improvements	<u>\$35,000</u>
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PARKING CAPITAL FUND – WAYFINDING SIGNS

Revenues:

Transfer from Parking Operating Fund	<u>\$57,240</u>
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Appropriations:

Improvements	<u>\$57,240</u>
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SPECIAL REVENUE FUND – RENCI/GROVE ARCADE LEASE

Revenues:

Charges for Service	\$29,903	
Transfer from Other Projects	<u>25,000</u>	
Total Revenues		<u>\$54,903</u>

Appropriations:

Lease/Improvements	<u>\$54,903</u>
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INSURANCE FUND

Revenues:

Transfer from Other Funds	\$11,208,810	
Charges For Service	2,835,926	
Miscellaneous Revenue	2,500	
Investment Earnings	<u>100,000</u>	
Total Revenues		<u>\$14,147,236</u>

Appropriations:

Insurance Fund Operations	<u>\$14,147,236</u>
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Section 2. It is estimated that revenues in the amounts indicated in the foregoing schedule will be available to support the foregoing appropriations. The fees & charges, as readopted and changed on April 14, 2009 in ordinance number 3721 and amended by City Council thereafter, shall be set forth in a Fees and Charges Manual to be kept on file in the Office of the City Clerk.

Section 3. There is hereby levied for the fiscal year ending June 30, 2010, the following tax on each \$100 assessed valuation of taxable property as listed on January 1, 2009 for purposes of raising the revenues from current year's property tax as set forth in the foregoing estimates of revenues and in order to finance the foregoing appropriations:

BUDGET ORDINANCE

Tax Rate per \$100 Assessed Valuation \$0.4200

Such rate of tax is based on an estimated total assessed value of property for the purposes of taxation of \$10,320,235,200 assuming 98.70% collection of the levy. In addition, Ad Valorem Tax revenue from taxes levied on motor vehicles at the same tax rate is estimated at \$2,232,045.

Section 4. The City Manager is authorized to amend the budget by transfer of appropriations within each fund. All amendments affecting revenues or total fund appropriations shall be approved by ordinance by the City Council, to be acted on at any regular or special meeting and approved by a simple majority of those present and voting, a quorum being present. Only one reading will be required and a public hearing or publication of notice is not necessary unless requested by Council.

Section 5. The City Manager is authorized to expend up to \$20,000 in general contingency funds in the event of any need he deems an emergency. Said action shall be reported to the City Council at the next regularly scheduled Council meeting and the budget ordinance amended accordingly.

Section 6. The reserve for encumbrances at June 30, 2009 and carry-over appropriations, representing prior commitments as of that date shall be reappropriated pursuant to North Carolina General Statute 159-13, to the departments within various funds, under which expenditures may be made during fiscal year 2009-10 as the previous commitments are satisfied.

Section 7. Copies of this ordinance shall be furnished to the City Manager, Director of Finance and City Accountant, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

Section 8. Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, the remainder of said ordinance shall not be affected thereby.

Section 9. That this ordinance shall be in full force and effect upon date of final passage.

Read, approved and adopted this 23rd day of June, 2009.

Magdalen Bruleson
City Clerk

August B. B. B.
Mayor

Approved as to form:

[Signature]
City Attorney

GLOSSARY OF TERMS

Accrual Basis - Method of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent.

Adopted Budget - The budget approved by City Council and enacted via a budget appropriation ordinance, on or before June 30 of each year.

Ad Valorem Taxes - Commonly referred to as property taxes, ad valorem taxes are levied on the value of real, certain personal, and public utility property according to the property's valuation and the tax rate.

Appropriated Fund Balance - The amount of fund balance appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

Appropriation - An authorization made by City Council which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Value - The fair market value placed on personal and real property owned by taxpayers by the Buncombe County Tax Supervisor. Real property is reappraised and assessed value established every four years.

Basis of Budgeting - This refers to the form of accounting utilized throughout the budget process.

Bond - A written promise to pay a specified sum of money (principal) at a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

Budget - A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

Budget Amendment - Formal action by City Council to change an appropriation or revenue estimate during the fiscal year.

Budget Calendar - The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the City's administrative staff which presents the proposed budget to the City Council.

Budget Message - A general discussion of the proposed budget presented to the City Council by the City Manager as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Ordinance - The official enactment by City Council establishing the legal authority for City administrative staff to obligate and expend funds.

Budget Process - Activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital needs.

Capital Outlay - Items of significant value (more than \$1,000) and having a useful life of several years, also referred to as fixed assets.

Capital Improvement Program - A plan to identify, prioritize, and approve capital needs (over \$25,000) for a six-year period.

Capital Projects - Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or facility.

Certificates of Participation (COPs) - A financing mechanism in which certificates or securities are sold to investors who underwrite a project. The issuance of COPs is secured by lease-purchase agreements to which the City is a party.

GLOSSARY OF TERMS

Community Development Block Grant (CDBG) - A U.S. Department of Housing & Community Development federal assistance grant to support local provision of decent housing and a suitable living environment for persons of low and moderate income.

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Transfer - A reallocation of cost from one activity to another. The City uses cost transfers to avoid double counting expenditures associated with internal transactions between City departments. For example, when fleet maintenance repairs a fire engine, that expense is recorded in both the fleet division and the fire department. A negative expense or cost transfer is then entered in the fleet division to eliminate the double counting. The remaining expenses in the fleet division after all cost transfers represent the net cost of that activity to the City.

Debt Service - Payment of interest and principal on borrowed funds, such as bonds or lease-purchase payments.

Department - A management unit of closely associated City divisions and activities.

Departmental Mission - A brief statement explaining the general purpose and goal of the department in relation to the overall City mission.

Depreciation - An accounting charge associated with expiration in the service life of fixed assets. Depreciation is not recorded as an expense for budget purposes.

Division - A term used to describe a City cost center with distinct objectives and activities.

Enterprise Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided. Included in this category are the Civic Center, Water Resources, Transit Services, and Parking Services Funds.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Expenditures - The measurement focus of governmental fund accounting. Financial resources expended during a period for operations, capital outlay, and long-term principal retirement and interest. Expenditures reflect the cost incurred to acquire goods or services.

Expenses - The measurement focus of propriety fund accounting. Costs expired during a period, including depreciation and other allocations, as in business accounting. Expenses reflect the cost of goods or services used.

Fiscal Year - An accounting period extending from July 1 through the following June 30.

Fixed Assets - Assets, such as land, buildings, machinery, furniture, and other equipment, which are intended to be held or used over a long time period.

Full Time Equivalent Position (FTE) - A unit for measuring staffing levels equal to one position working 37.5 hours per week for an entire year. Temporary/seasonal positions, such as summer Parks & Recreation staff, are not included in the FTE count.

Fund - A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

Fund Balance - The cumulative excess of revenues over expenditures in a fund at the end of a fiscal year. With certain limitations, fund balance may be used to balance the subsequent year's budget.

General Fund - A type of governmental fund used to account for revenues and expenditures for regular day-to-day operations of the City, which are not accounted for in the proprietary funds; i.e., Enterprise and Intergovernmental Service Funds. The primary sources of revenue for this fund are local taxes and state-shared revenues.

GLOSSARY OF TERMS

General Obligation Bonds - Bonds issued by City government, usually requiring voter approval, that are backed by the the City's full faith, credit, and taxing power.

Generally Accepted Accounting Principles (GAAP) - The set of accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

Goal - The underlying reason(s) for the provision of essential City services.

Interfund Transfer - The movement of monies between funds of the same governmental entity.

Internal Charges - Charges for goods or services provided by one City department to other departments within the City on a cost reimbursement basis.

Internal Service Fund - A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.

ITRE: Standard rating system used to assess street pavement condition.

Lease-Purchase - A contractual agreement to purchase a fixed asset over a period of several years. Also known as installment purchasing.

Line-Item Budget - A budget summarizing the detail categories of expenditure for goods and services that the City intends to purchase during the fiscal year.

Local Government Budget and Fiscal Control Act - The legal guidelines of the State of North Carolina which govern budgetary and fiscal affairs of local governments.

Metropolitan Sewerage District (MSD) - Public body established in 1962 for the purpose of constructing and operating facilities for the treatment and disposal of the sewage generated by the political subdivisions comprising the District, including the City of Asheville.

Modified Accrual Basis - A method for recording receipts and expenditures in which expenditures are recognized when the goods or services are received, and revenues are recognized when measurable and available to pay expenditures in the accounting period.

NCDOT: North Carolina Department of Transportation.

Operating Budget - The City's financial plan which outlines proposed expenditures for the fiscal year and estimates the revenues which will be used to finance them.

Pay-As-You-Go Financing - A method of paying for capital projects that relies on current revenue rather than on debt.

Payment In Lieu of Taxes (PILOTs) - Money transferred from an enterprise fund or an outside non-profit agency into the General Fund. The principle underlying such transfers is that the City would have received the equivalent amount in taxes had the service been provided by a private firm.

PEG Fee: Fee paid by the local cable television company in support of the public, educational, and governmental access channels.

Performance Measure - Indicators used to determine how effectively and efficiently a department achieved its objectives.

Performance Objective - A statement of expected results or impacts which is specific, measurable, realistic, and consistent with overall departmental and organizational goals.

Proposed Budget - The City Manager's recommended balanced budget, which is submitted to City Council prior to June 1.

Proprietary Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to a private business enterprise. It is financed primarily from charges to users for services provided. Proprietary funds used by the City of Asheville include the Enterprise and Internal Service Funds.

GLOSSARY OF TERMS

Revenue - A term used to represent actual or expected income to a specific fund.

Tax Collection Rate - The percentage of the tax levy that can reasonably be expected to be collected during the fiscal year.

Tax Rate - The level at which taxes are levied. For example, the tax rate is \$0.42 per \$100 of assessed value.

Tax Levy - The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

Transmittal Letter - A letter from the City Manager summarizing the major differences between the proposed budget and the adopted budget.